

**REGIONAL DEPARTMENT
OF DEFENSE RESOURCES MANAGEMENT STUDIES**



**THE 6th EXPLORATORY WORKHOP
“DEFENSE RESOURCES MANAGEMENT -
TRENDS AND OPPORTUNITIES”**



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Course for Senior Officials**

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Regional Department
of Defense Resources Management Studies

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WORKSHOP CONTENTS

1.	<i>Communication across organization - Directions and Orientations,</i> Capt. Cmdr. Cătălin BANU _____	7
2.	<i>Defense expenditures and economic growth – Correlation and Contradiction,</i> LTC Valentin CIUCHEA _____	17
3.	<i>Financing NATO Expenditures,</i> Capt. Cmdr. Eng. Dan DOBRE _____	30
4.	<i>National Critical Infrastructure Protection,</i> LTC Gabriel EPURE _____	40
5.	<i>The Communication in conflict and crisis situations,</i> Commissary Robert ROMAN _____	62
6.	<i>Specific considerations on leadership,</i> Ana DJUROVIC _____	80
7.	<i>The Importance of the Life Cycle Cost in Military Acquisitions,</i> LTC Phd. Eng. Constantin Alexandru CARAVAN _____	100
8.	<i>Using Multicriterial Analysis in setting up the optimum use of armored vehicles in military operations,</i> LTC Vasile CĂRUȚAȘU _____	121
9.	<i>Similarities and Differences between Manager and Leader,</i> LTC Dorin DUICULETE _____	135
10.	<i>The officer's competence as military leader – An essential factor in the success of the leadership and military action,</i> LTC Valentin PÎRVUȚ _____	157
11.	<i>The Development of military capabilities within the EU: A view of a practitioner,</i> LTC Eng Daniel CĂLIN, MA _____	185
12.	<i>Economic Risks to National Security,</i> LTC Nicolae ILIE _____	205
13.	<i>Logistics System in Jordanian Armed Forces,</i> COL Khaled KHAWALDEH _____	216
14.	<i>Budget Issues and Challenges for the Modern Military,</i> LTC Luigi-Dumitru BARCAN _____	225

15.	<i>A Critical Analysis of the Planning, Programming, Budgeting and Evaluation System</i> , LTC Daniel Valeriu MARIN _____	242
16.	<i>An Analysis of the Human Resource Selection Mechanism in the Military</i> , LTC Cristian CIUNTU _____	255
17.	<i>An Analysis of the Informational War concept</i> , Capt. Cmdr. Dorian – Georgel DANCIU _____	264
18.	<i>Leadership – Definition, Classification and Current Trends in the Military</i> , Capt. Cmdr. Adrian VASILE _____	274
20.	<i>Business Ethics and Social Responsibility</i> , LTC Eng. Laurențiu AVRAM _____	288
21.	<i>Management and Workforce diversity</i> , LTC Eduard BORHAN _____	309
22.	<i>Motivation – Theories and Practices in the Military</i> , CDR (N) Paul - Mugurel POLEANSCHI _____	325
23.	<i>Communication across Organizations</i> , LTC Carmen TEODORESCU _	338
24.	<i>An assessment of professional performances of HR Management - Highlights</i> , LTC Robert-Eugen MIHAI _____	352

COMMUNICATION ACROSS ORGANIZATION DIRECTIONS AND ORIENTATIONS

Cpt. Cdor Cătălin BANU

CONTENTS

Introduction

I. SHORT DESCRIPTION OF COMMUNICATION

1. COMMUNICATION: DEFINITION AND MODEL
2. TYPES OF COMMUNICATION

II. INTERNAL COMMUNICATION

1. MODEL OF INTERNAL COMMUNICATION PROCESS
2. DIRECTIONS AND ORIENTATIONS OF COMMUNICATION

Conclusions

References

INTRODUCTION

Communication is a defining characteristic of human beings: without it there is no social life, there is no society and even the Earth wouldn't be the same, for sure. Being so important it is obvious that studying it improves mankind activity, particularly in an important usage of it, in organizations. Communication across organization issues refers to content, means and the structure of the Organization in order to ensure its proper functioning. Traditional communication approaches two categories: communication theories placed in relation to technologies used as support and the perspective that deals with psycho-sociological environment inside organization; both are relevant, but the first one is more important because without it there is no more communication. Consequently I chose to start this work from this perspective.

I. SHORT DESCRIPTION OF COMMUNICATION

I.1. COMMUNICATION: DEFINITION AND MODEL

Communication represents the transport and understanding of information between an individual and a single or multiple persons; communication is animated by a goal explicit or implicit. Without communication the information is blocked.

It may be considered that there is a goal that leads communication, as well as the fact that this can be initiated by the receiver, and accepted by the emitter or by transmitter. To be physically possible communication needs appropriate means of transmission of information, that is, in the technical sense, a communication channel, and an agent, a vehicle to carry data through this channel.

Channels can be written, electronic or face to face; written channels include written reports, manuals, posters, etc., electronic channels can be electronic meetings, video-conferences, radio, television and face to face channels are meetings, speeches, briefings and debriefings, courses etc.

Information agents are spoken or written words, pictures, figures, diagrams, sounds, body language etc.

The communication includes, in accordance with the Shannon-Weaver model also other processes that information deals with, in order to be adapted to the channel of communication, in the purpose to be transmitted, namely detection, encoding and decoding. Although these processes seem to be pure technology, they occur even in face to face situation, and they are important because any flaw

in them implies problems with understanding the message and ultimately the goal is not reached.

Of course not just these processes can distort the understanding of the message; another important factor is the quality of the information submitted. Data must be clear, accurate, detailed as necessary, prompt and easy to understand. At the same time the environment can interfere with the message along channel, can affect message quality and the phenomenon is called noise. In this category enters heavy sounds, light to intense or to weak, temperatures lowered/raised etc.

Communication does not end with the acceptance of the reception of the message and its comprehension by the receiver, actually happens a reverse reaction which is called feed back, actually another process of communication with end changed, the receiver switches the transmitter and inverse, so in the process of communicating the roles are changing constantly.

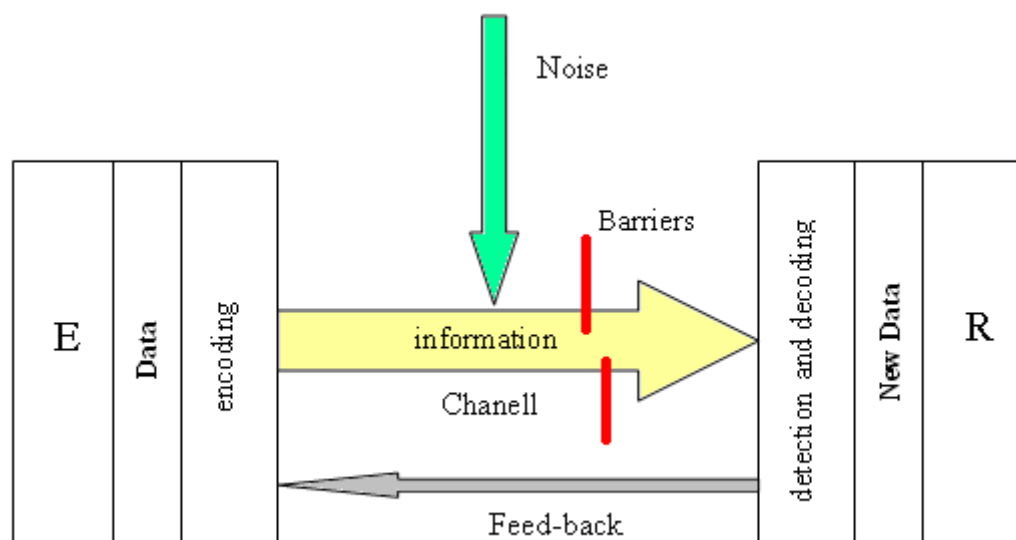


Fig.1 The model of communication

Data, which are the subject of communication, are transformed into information and after decoding by the receiver, they are considered new data for him. The content of the data could be: informational, affective, emotional, motivational or volitional.

Existing communication requires the participation of both actors: emitter and receiver, the first one must have an interest in, and the second should pay attention. Accidentally communication could be unintentional, even the sender does not plan it or it is not conscious of it.

The barriers which can limit the transit of information are:

- physical: verbal deficient, language, duration of conversation etc;

- semantic: vocabulary, grammar, syntax, emotional connotations of words;
- determined by the internal factors: positive involvement; negative involvement,
- fear;
- differences of perception;
- emotions (strong emotion is liable for blocking communication almost full);
- economic barriers;
- politic barriers;
- professional barriers etc.

The destination (receiver) could be:

- A single person, and this is called Interpersonal, it is every day life situation and an important quality of an individual;
- A small group of people, meaning Group communication, which characterized especially work relations;
- A large audience, like Media communication, but this one doesn't have an efficient feed-back.

I.2. TYPES OF COMMUNICATION

There are many kinds of classifications of the communication process, but in terms of the methodology concerning preparing and delivering of information by the transmitter, it is useful the following taxonomy, namely communication could be:

- Registered on the stable support (written on paper or in electronic format);
- Unregistered, volatile.

First one has sustainability in relation to the unregistered form of communication; it can be accessed by more people and can be accessed whenever it is needed. Registered communication steps are similar to those of structuring a speech: there is a preparatory phase (starting from the goal, determining the objectives, scope, the audience and the key points) and an elaboration phase (following the three parts: introduction, contents and conclusion). This type of communication is mainly formal.

The second one could be, with the same importance, both formal and informal, but the way they should be treated different related to context, particularly of the time

at disposal. When aren't time limits, prescriptions given above should be followed, contrary should pay attention to the possible blunders which may be costly.

Both of these variants possibly are accompanied by nonverbal communication, which can be the majority of the information sent. Messengers are:

- facial expression;
- eye contact (physical appearance);
- body language;
- physical distance and voice (intonation, stress, rhythm).

II. INTERNAL COMMUNICATION

II.1. INTERNAL COMMUNICATION PROCESS

Internal communication can be seen as a modality to characterize and comprehend organizations because, in interior, managers and employees change information, build relationships, create values and establish organizational culture. So organization can be imagined as a box filled with people, practices, rules and messages. Taking into account the formal structure of many organizations it is possible to represent it as a pyramid. Inside the pyramid communication can be represented using arrows following directions and orientations in which messages flows: vertical (upward, downward), horizontal and oblique.

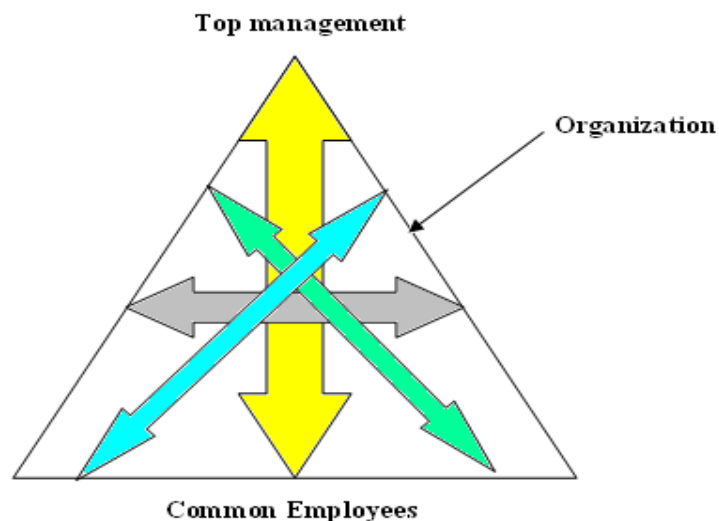


Fig. 2 Directions and orientations of communication.

Communication occurs between individuals, individuals and groups and between groups (teams) and is vital for well functioning of the entity. The information acquired helps personnel to understand the position they occupy and what

organization is; operation and survival of organizations rely on effective relationships between individuals and groups.

Formal communication channels are created deliberately by establishing a formal system of responsibilities that comply with the organization's hierarchical structure. They are designed and managed to allow the transfer of information between levels (vertical) and departments (horizontal).

Informal communication can be defined as the exchange of information that takes place outside official channels of communication. Informal communication occurs generally through channels created spontaneously which appear and disappear and change continuously.

This type of communication could be good or bad. There is a danger that may turn into gossip or rumor, which is not desirable for the internal environment, or for the functioning of the organization. The good things are that, on the one hand it has a utility value for the organization, facilitating contacts between employees, and on the other hand has a therapeutic role, harmonizing internal relationships.

II.2. DIRECTIONS AND ORIENTATIONS OF COMMUNICATION

Vertical downward communication has as an emitter the superiors and as a receiver the subordinates. This type of communication is predominantly formal, principally with the increase of the hierarchic distance between actors. When top management communicate to employees, they do it after setting goals, objectives and strategies; they create relevant messages which are sent through different channels this way stimulating activities, motivating personnel. The information reaches the destination following organizational structure (bureaucratic way) - information descends top-down with some delays at each level; leaders of hierarchical levels communicate with their subordinates, but there is the possibility to have quantitative or qualitative losses.

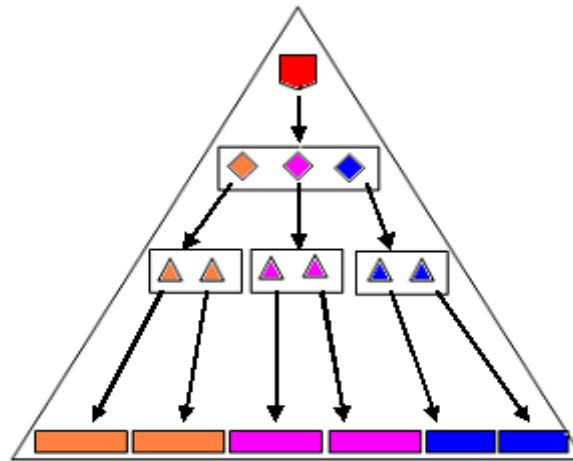


Fig.3 Vertical downward communication.

This kind of communication must occur periodically ensuring a certain permanence and fluidity of the communication, thus ensuring command, morale assessing, advising and warning staff. Unfortunately there are managers which use it just to send orders to subordinates, without informing them on the decisions taken by the higher echelons regarding the activities of the organization, policies and strategies, and this is wrong especially when entity is in transition. In addition, the information could interest just a part of personnel so channels will be suffocated with un-useful information. In this case and when the quantity of information is important it would be advisable to show the method of getting it instead spending time in delivering it.

Downward communication must be used with caution because of the danger of decoupling high rank managers from reality, because of lack of feed-back. For this reason, top-down communication must be accompanied by bottom-up communication.

Vertical upward communication infers a swap between the actors and changes the content of information; it is used to inform, to complain, to suggest, to apply or to ask for approvals. Managers must weight carefully data received this way because the information could be filtered by subordinates or, worse, intentional wrong. To counter all these possible effects managers should promote a constantly communication urging the creation of a flexible organizational culture, centered on feeling of the personal value of employees and their membership in the values and rules of the organization.

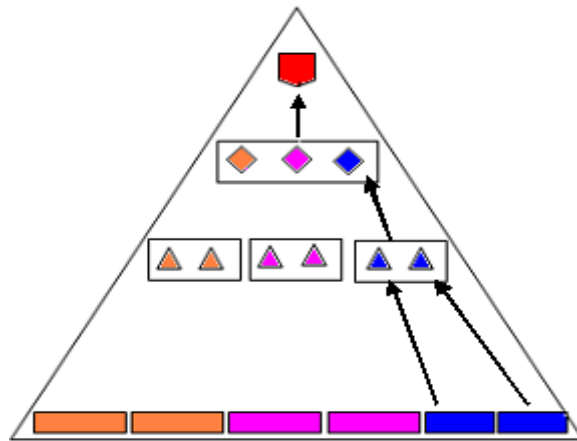


Fig. 4. Vertical upward communication.

Vertical communication is sometimes the subject of dissatisfaction for employees and members of the organization, that because if the chain of successive emitters and receivers is too long, there would be misunderstandings propagated and amplified along of the chain. This could generate conflicts, low performances, and waste of time and must be adjusted by an optimization of communication. A simply way is practiced by the military.

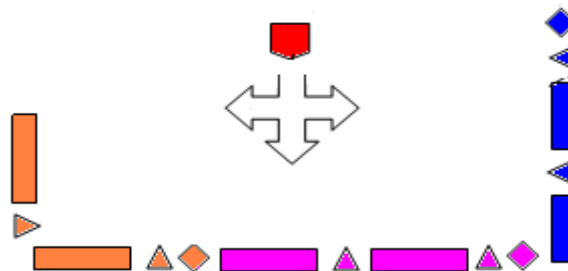


Fig. 5 Military model.

General Manager gathers all the staff and communicates to them those aspects deemed necessary to be known.

Doing like in Fig. 5 the information reaches all the personnel, but the type remains predominant being downward communication, upward one doesn't have so many occurrences. In order to improve this, there are organized meetings between top management and different levels, separately.

Horizontal communication is done between people with similar positions in organization and has the role to harmonize activity between departments, especially if they are interdependent. Experience has shown that this is much informal than formal and this fact is not really useful for organization. The reasons for formal horizontal communication are the exchange of information, discussions surrounding

the fulfillment of tasks, coordination of Heads of structures, conflict resolution. Failure of formal horizontal communication has the effect of poor coordination and lack of effective internal activities. Thus because, being wrongly or insufficiently informed on the goals, policies and values that the organization wants to be outdoors, employees can not be sufficient motivated. Instead, informal horizontal communication has the advantages that it relaxes the atmosphere in the organization, strengthens cooperation initiatives between teammates and can sometimes generate valuable bottom-up initiatives. This communication can be enhanced by organizing joint activities or joint component teams, interdepartmental. To encourage horizontally formal communication audit teams can be organized to control and guide collegially the activities of the department visited.

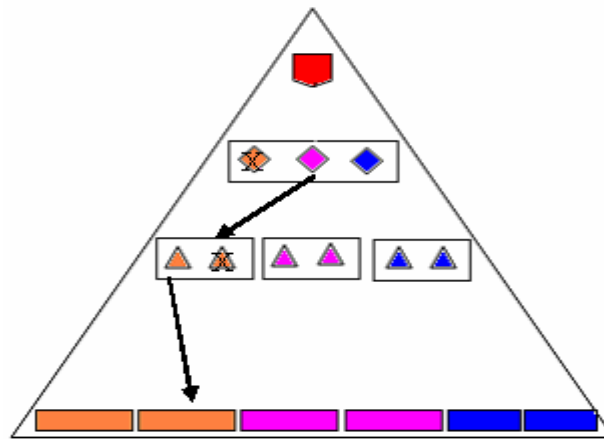


Fig. 6 Oblique communication.

Oblique communication takes place between members of the organization which are on different hierarchical levels and are working in different departments. Sometimes could be a sign that things go wrong; some leaders of departments or within departments fail to communicate with subordinates, so people are obliged to fulfill the need of information asking for important news to the leaders of other departments. Seldom, taking advantage of the power vacuum created by the possible absence of a department head, others interfere with neighboring department activity, thus creating premises of complaints from staff. When such situation is sensed, immediately higher management must quickly analyze the causes and get the necessary measures. When this type of communication is informal, it may be the mechanism of transmission of “true gossips”.

CONCLUSIONS

To be characterized as organized, organizational communication must have the following characteristics: to be oriented towards the end (purpose), to take place both on the horizontal and the vertical, to integrate the informal communication and to create structures that promote it. Communication must be managed in accordance with the overall strategic plan of organization-specific activity with consideration of the directions, orientations, benefits and problems that may occur. Programming of information flow must take into account the existence and importance of feed-back. Without feedback decisions are taken exclusively by the management without consultation with those involved in achieving organizational goals. Such a communication strategy can be achieved only through a process of participatory management, avoiding authoritarian management - that does not encourage feedback and participation.

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DEFENSE EXPENDITURES AND ECONOMIC GROWTH – CORRELATION AND CONTRADICTION

LTC Valentin CIUCHEA

CONTENTS

Introduction

- I. **Chapter 1: Approaches and definitions**
- II. **Chapter 2: Short literature review**
- III. **Chapter 3: Defense spending – growth connections**
 - 1. Supply-side effects
 - 2. Demand-side effects
 - 3. Security effects
 - 4. Differing economic effects of defense spending
- IV. **Chapter 4: Recent evolution of defense spending**

Conclusions

References

DEFENSE EXPENDITURES AND ECONOMIC GROWTH – CORRELATION AND CONTRADICTION

INTRODUCTION

The influence of military expenditures on the economy has been an issue of research amongst economists and the subject of a wide literature in defense economics. There are many ways through which military expenditures may affect economic growth. Each perspective can lead to different conclusions and, as a result, the net effect is equivocal.

Therefore the issue is an empirical one. There are alternative arguments related to the growth effects of military expenditure and all these arguments are empirically supported. As well as there may be tradeoff between military expenditures and productive investments, such as health and education expenditures, defense spending may retard economic growth by deterring investment, infrastructural development, health and education spending.

It is evident that military expenditures are made to the detriment of consumption, investment and other expenses of state or balance of payments, which affect negatively national economic performance. Therefore there is such a perception that defense spending is unproductive spending, consuming once and for all a part of GDP.

From the point of view of civil society, that understands the need and opportunity of economic and industrial military structures, an optimal defense cost primarily involves sizing within the limits of defensive sufficiency of resources allocated to defense and therefore diverted from economic growth, as well as running of all activities of the military system based on principles of efficiency and rationality, so that every money spent to bring up maximum utility and military effectiveness.

Studies undertaken on the deepest econometric models have revealed the existence of four different types of relationships between the dependent endogenous variable - economic growth and independent exogenous variable - defense spending: from economic growth to military expenditures, from military spending to economic growth, feedback and no relationship.

Different views on the causal relationship between the defense spending and the main indicator of economic performance - growth rate are explained by the imperfection of used econometric models. No matter how accurate are they in reflecting the reality, models cannot capture the exact expression of causality and for sure cannot accurately capture and describe mathematically psychological component, respectively behavior coordinates of nations.

Given the complexity of the deepening interdependence phenomena, the development of globalization phenomena, inclusively in terms of creating security systems, they have determinations difficult to quantify.

Maria Constantinescu¹ considers that defense spending can be regarded as an insurance against external military and security risks and that the "price" of the insurance increases with increasing political, military or social instability in the external security environment.

From the perspective of the armed forces, this "insurance" should cover as many risks, which would maximize spending on defense. On the other hand, the civil society considers national defense only as one of public goods that citizens of a state should receive, along with education, health, public safety etc., which means, in case of limited budgetary resources, limiting defense spending.

In her view, establishing the optimal level of defense spending is influenced by several factors, both of internal and external nature: the country's economic development, political orientation of governments in power, regional and international political and military situation etc. Economic growth is subject to the social order and the possibility of defense against external threats, which implies a certain minimum level of defense spending. On the other hand, defense spending should not be so high as to divert from the civil uses a large amount of resources which would be detrimental to economic development.

I. APPROACHES AND DEFINITIONS

At first sight, military expenditures could be defined, in a simple way, as being the costs supported by a country for its defense. In this respect, it is necessary to separate the resources used by a state to maintain security from

¹ Constantinescu, M., *Analiza costurilor și beneficiilor aderării României la NATO*, Ed. Militară, București, 2010.

those employed for other governmental expenditures. But separating governmental expenditure into military and civilian is sometimes not easy or even impossible because of interfered military and civilian functions of the state.

“Governments are basically free to define military expenditures according to their own wishes and purposes”²; hence there is no standard definition. There are three widely accepted definitions of military expenditures coming from North Atlantic Treaty Organization, International Monetary Fund, and United Nations (Table 1).

The NATO definition has also been adopted by the Stockholm International Peace Research Institute (SIPRI) and the United States Arms Control and Disarmament Agency (US ACDA), which are the two most widely used sources of compiled military spending data.

The main differences between the definitions are the following: ambiguity on whether or not the external military aid should be included in military expenditures; military pensions which are included in NATO and UN definition but not in IMF definition; ambiguity on expenditures relative to security forces like gendarmes and border guards which are parts of military forces and have also civilian security tasks; research and development expenditures (Brzoska, 1995) (Table 2).

Definitions of Military Expenditures

North Atlantic Treaty Organization (NATO)

All current and capital expenditures on the armed forces, in the running of defense departments and other government agencies engaged in defense projects as well as space projects; the cost of paramilitary forces and police when judged to be trained and equipped for military operations; military R&D, tests and evaluation costs; and costs of retirement pensions of service personnel including pensions of civilian employees. Military aid is included in the expenditure of the donor countries. Excluded are items of civil defense, interest on war debts and veterans' payments.

International Monetary Fund (IMF)

All expenditure, whether by defense or other departments, for the maintenance of military forces, including the purchase of military supplies and equipment (including the stockpiling of finished items but not the industrial raw materials required for their production), military construction, recruiting, training, equipping, moving, feeding, clothing and housing members of the armed forces, and providing remuneration, medical care, and other services for them. Also included are capital expenditures for the provision of quarters to families of military personnel, outlays on military schools, and research and development serving clearly and foremost the purposes of

² Brzoska, M., *World Military Expenditures in Handbook of Defense Economics*, Vol. 1, eds. Elsevier Science BV, Amsterdam, 1995.

defense. Military forces also include paramilitary organizations such as gendarmerie, constabulary, security forces, border and customs guards, and other trained, equipped and available for use as military personnel. Also falling under this category are expenditures for purposes of strengthening the public services to meet wartime emergencies, training civil defense personnel, and acquiring materials and equipment for these purposes. Included also are expenditures for foreign military aid and contributions to foreign to international military organizations and alliances. This category excludes expenditures for non-military purposes, though incurred by a ministry or department of defense, and any payments or services provided to war veterans and retired army personnel.

United Nations (UN)

The United Nations has drawn up an extremely precise and detailed accounting matrix with three categories of military expenditures: (A) operating costs; (B) procurement and construction; and (C) research and development.

A. Operating costs

- (1) Personnel: a) conscripts; b) other military; c) civilian
- (2) Operations and maintenance: a) current-use material; b) maintenance and repairs; c) purchased services; d) rent.

B. Procurement and construction

- (1) Procurement: a) aircraft and engines; b) missiles, including conventional warheads; c) nuclear warheads and bombs; d) ships and boats; e) armored vehicles; f) artillery; g) other ordnance and ground force arms; h) ammunition; i) electronics and communications; j) non-armored vehicles.
- (2) Construction: a) airbases; b) missile sites; c) naval bases; d) electronics and communications; e) personnel; f) medical; g) training; h) warehouses and depots; i) command, administration; j) fortifications; k) shelters.

C. Research and development

- (1) Basic and applied
- (2) Development, testing and evaluation.

Table 1

Source: Pérez-López, Jorge F., *Cuban military expenditures: concepts, data and burden measures*, Association for the Study of the Cuban Economy (ASCE), Miami, 1996.

As a result of the lack of a standard definition of military expenditures, there is a large variance in military expenditure figures. Moreover, these data are of unequal quality and availability.

It must be outlined that the data on military spending are rich in a variety of problems including lack of transparency by reporting governments, lack of a standard available for countries and for the international bodies compiling this data, and issues concerning currency conversions. Broadly speaking military spending data are some of the least reliable data in the social sciences. In order to study the determinants of military spending one have to bear in mind these discrepancies while interpreting findings.

Possible items of military expenditures	Items ^b in definitions issued by		
	NATO	IMF	UN
<i>Expenditures for military forces and their support</i>			
1. Pay to soldiers, officers	X	X	X
2. Salaries of technicians, bureaucrats etc. within armed forces or connected to military organizations	X	X	X
3. Medical services, tax benefits, social benefits to above (including relatives)	X	X	X
4. Pensions	X	-	X
5. Military schools, hospitals etc.	X	X	?
6. Current procurement expenditures on weapons (incl. arms imports)	X	X	X
7. Infrastructure construction, housing etc.	X	X	X
8. Operation and maintenance	X	X	X
9. Procurement of other goods	X	X	X
10. Military research and development	X	X	X
<i>Other expenditures with military/defense/strategic purpose</i>			
11. Stockpiling of strategic goods	X ^c	-	-
12. Mothballing of weapons, production lines etc.	X ^c	X	-
13. Arms production subsidies/conversion subsidies	X	-	-
14. Military aid to other countries	X	X	X
15. Contribution to international organizations (military alliances, UN peacekeeping etc.)	X	X	-
16. Civil defense	-	X	X
<i>Expenditures for past military forces/action</i>			
17. Veteran benefits etc.	-	-	-
18. Service of war debts	-	-	-
<i>Expenditures on other forces</i>			
19. Paramilitary/Gendarmerie	X ^d	X ^d	X ^d
20. Border/Customs Guards	X ^d	X ^d	X ^d
21. Police	X ^d	-	-
<i>Chargeable to other accounts</i>			
22. Humanitarian/Disaster relief	X	-	-
23. UN peacekeeping	X	X	-
<i>Incomes from</i>			
24. Military schools, hospitals, companies	Y	Y	Y
25. Civilian use of military infrastructure	Y	Y	Y
26. VIP transport	Y	Y	Y
27. Sale of patents, know-how	Y	Y	Y
28. Repayment of production subsidies	Y	Y	Y
29. Military aid from other countries	-	-	X ^e
<i>Obligations for future spending</i>			
30. Procurements on credit	X	X	-

Table 2 – Comparison of military expenditures definitions^a

- ^a Sources: Ball, N., 1988, *Security and economy in the Third World*, Princeton University Press, Princeton, NJ, pp. 402-404.
 UN (United Nations), 1977, *Reduction of military budgets: Measurement and international reporting of military expenditures*, Report of Secretary-General, A/31/222/Rev.1, UN Centre for Disarmament, New York.
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- ^b Symbols: X, should be included in military expenditures; -, should not be included in military expenditures; Y, should be budgeted as income.
- ^c If managed and financed by defense organization.
- ^d When judged to be trained, equipped and available for military operations.
- ^e Double-counting has to be considered before aggregations.

II. SHORT LITERATURE REVIEW

Finding out a relationship between military expenditures and economic growth has been a weighty subject of study for defense economists, including the very debated contribution of Benoit^{3, 4}, who affirmed that military expenditures may lead to growth by “providing education and medical care, decreasing unemployment rate, engaging in variety of public works, scientific and technical innovations.” As a result, if the military did not spend its money in these fields, resources would have to be provided by the civilian sector.

Since Benoit’s conspicuous results, the relationship between military expenditures and economic growth has attracted large attention amongst many defense economists. In consequence, a number of empirical studies have been undertaken in order to find out a relationship, if any, between these variables. Nevertheless, there is still controversy about whether defense spending cause a higher or lower growth rate.

There are a lot of empirical literature studies that investigate the economic effects of military expenditures. Grouping the literature reviews is possible in various ways, such as: depending on correlation results between defense spending and economic growth, methods imposed, data and sample used, and significance of results.

³ Benoit, E., *Defense and growth in developing countries*, Lexington Books, Boston, 1973.

⁴ Benoit, E., *Growth and defense in developing countries*, *Economic Development and Cultural Change*, 26(2), 1978, 271-280.

Arguments are not limited to the relationship between defense spending and economic growth. Another part of the argument addresses the nature of causality between these two variables. Which one is causally previous to the other? Do military expenditures initiate economic effects or, vice versa, is it affected by changes in the economy?

In defense economics literature, there are three groups of economists and policy makers who support different approaches for the defense-growth relationship. One group supports the neo-classical approach that states military expenditures deter economic growth and, as a result, finds a negative correlation between defense spending and economic growth^{5, 6, 7}.

A second group argues that the net effect of military expenditures on growth is positive. This group supports the Keynesian theory, which shows a positive correlation between defense spending and economic growth (Benoit, 1973; 1978).

A third group states that the relationship between military expenditures and economic growth varies and it could be positive or negative. Therefore, it is not appropriate to generalize about a correlation between these variables for all countries.

According to this perspective, there is neither a “clear-cut prediction” nor a consistent, statistically significant result of the relationship⁸.

Different methods have been imposed to study the defense-growth relationship, such as: cross-section analysis, time series regression analysis, and some other methods.

Also, the relationship between the variables was investigated for both short run and long run by different authors. As it is not possible to generalize the relationship between military expenditures and economic growth for all, some authors have tried to find common features for similar countries. They have grouped countries upon their commonalities, such as: non-conflict and conflict

⁵ Deger, S., Smith, R., *Military expenditure and growth in less developed countries*, The Journal of Conflict Resolution, 27(2), 1983, pp. 335-353.

⁶ Deger, S., *Economic development and defense expenditure*, Economic Development and Cultural Change, 35(1), 1986, pp. 179-196.

⁷ Dunne, J.P., *Economic effects of military expenditure in developing countries: a survey*, The Peace Dividend, ed. Gleditsch Elsevier, Amsterdam, 1996.

⁸ Biswas, B., Ram, R., *Military expenditures and economic growth in less developed countries: An augmented model and further evidence*, Economic Development and Cultural Change, 34(2), 1986, pp. 361-372.

states, dependence on geography, regional sensitivity, organization, high/low growth or developed/developing countries, countries that are experiencing foreign-exchange constraints, and countries which are well-endowed with resources.

Within the numerous literature studies, as I mentioned above, some researchers found a significantly positive effect, while others found a significantly negative effect, and some others even found an inconclusive effect or no effect at all.

Causality for multiple countries as well as for a single country was investigated in several cases to find out the direction of the relationship between military expenditures and economic growth.

Numerous studies examine the correlation between growth and defense using several econometric methods. Some of these econometric methods are based on the supply-side approach where production role and “interrelationships”⁶ are among the sectors included. Demand-side approach is an alternative based on the Keynesian definition of aggregate demand where the output is the sum of the components. The next chapter focuses on the connections between defense spending and economic growth under these different approaches.

III. DEFENSE SPENDING–ECONOMIC GROWTH CONNECTIONS

Defense spending has been one of the main components of governmental expenditures for both developed and developing countries. Defense burden (defense spending as a share of GDP) varies by country depending on the economic, political and social context of both internal and international environments.

An increase in military expenditures raises aggregate demand in developed countries which supports higher national revenue and employment. In case the affected industries have economies of scale, a higher level of defense spending leads to lower production costs and to an increase in economic activity. Developed countries also take advantage of spinoff and spillover of military R&D and technology.

For the low-developed countries (LDCs) or developing countries, the issue of whether higher defense spending either burdens or benefits the economy is more controversial. In consequence, while defense spending in developed

countries has been a matter of disagreement, for the emerging economies it has likewise been an issue of rather heated debates⁹.

It is consequent to suppose that military expenditures support economic growth in developed countries and slows down economy in LDCs, but a further examination of the relationship between defense spending and economic growth indicates that there may be some cases for which this supposition is not reliable. As a result, stating that military expenditures decrease growth in LDCs and developing countries is not necessarily true.

The large literature on the economic effects of defense spending identifies some different connections between defense spending and output. They can be broadly grouped into supply-side effects, demand-side effects, and security effects.

III.1. Supply-side effects

The neo-classical production function approach uses a supply-side description of changes in aggregate output⁹. The supply-side approach focuses on the opportunity cost of insufficient resources. In this case, military expenditures divert limited resources away from more productive civilian uses; this, in its turn, causes a decrease in civilian consumption and reduces the well-being of the society because of the diminution in civilian and public savings and investments.

These arguments sustain a rather negative effect of defense on growth; even so some positive connections can also be involved as spillovers.

Negative effects

Neo-classical approaches generally draw the conclusion that military expenditures lessen economic growth. The “guns-butter tradeoff” classifies defense spending as an inefficient use of resources. This assumption implies that using scarce resources for military expenditures prevents using them for economic activities such as investment, public infrastructure, as well as for education and health.

Of course, on principle allocation of the resources for achieving economic goals could be managed with fewer resources. Although, this group claims that the opportunity cost of spending on defense is too high, and that following other

⁹ Payne, E. J., & Sahu, P. A. (Eds.), *Defense spending & economic growth*, Westview Press, Boulder - San Francisco – Oxford, 1993.

economic activities would make the society better. In consequence, although military expenditures increase security, it requires diversion of resources which could contribute to economic growth.

Opportunity costs rise especially when resources are insufficient and can be used in different ways. Commitment of government expenditures to military sector leads to a lack of funds for public welfare programs. Since education and health are main indicators of economic growth, military expenditures are believed to lessen growth by reducing both public and private expenses for human capital formation.

An increase in military expenditures enlarges the gap between savings and investments by reducing potential savings available for planned investments and thus retarding growth. Critics sustain that defense spending is a waste of resources and deter valuable civil investment.

Looney and Frederiksen¹⁰ draw attention to the consequences of how military expenditures are financed. If a major part of armament is imported, an increase in defense armament can cause a balance of payment problem on the economy.

If imports are financed by external loans, the external debt rises. In the long run, a balance of payment problem produces or aggravates inflation, which lowers the economic competitiveness of a country. If imports are financed through export earnings, the opportunity cost of diverting resources to defense use should be considered. According to Looney and Frederiksen, this is one of the evidences “why no consistent relationship has emerged between growth and defense”.

Positive externalities - spinoff and spillovers

Although the supply-side approach sustains an overall negative effect of defense spending on economic growth, positive spillover effects of military expenditures have nevertheless received attention in the defense economics literature.

The spinoff effect means a positive correlation between defense spending and growth (*ceteris paribus*) by enlarging aggregate demand and causing more innovations in both products and processes (Deger, 1986). Moreover, defense programs provide employment, education, and vocational/technical training for a large number of people.

¹⁰ Looney, R. E., Frederiksen, P. C., *Defense expenditures, external public debt and growth in developing countries*, Journal of Peace Research, 23(4), 1986, pp. 329-338.

On the other hand, well-educated defense people who work in the civilian sector after their retirement improve the quality of human resources in this sector. The experiences that they had in the military sector can be shifted to other sectors of the economy (Looney & Frederiksen, 1986).

As a result, military expenditures alleviate the civilian sector's social and financial burden in a significant manner (Benoit, 1973, 1978; Deger, 1986).

The spinoff effect is not limited to human resources. The civilian sector can also benefit from the technology spillover. Military R&D is a means of sustaining the growth of high technology sectors, such as aerospace and electronics, which conversely returns valuable spinoffs for the civilian economy. The use of military high technology, as well as subsequent innovations, in the civilian sector supports a competitive advantage in both internal and international market. It is also possible simultaneous usage of military technology in both military and civilian sectors.

Notwithstanding armament is an unproductive output from defense spending, construction of various types of infrastructure as well as the consumption and investment arising from defense salaries, are not unproductive outputs (Payne & Sahu, 1993).

The military remains one of the most modern institutions in LDCs and as a result it may provide economic growth by modernization.

The simple definition of the peace dividend is that if governments cut their defense spending, there will be more financial resources to allocate to more socially desirable and productive uses¹¹. Nevertheless, it is not simple to cut military expenditures to gain a peace dividend in a country that experiences instability.

III.2. Demand-side effects

Keynesians focus on military expenditures as a component of aggregate demand. The Keynesian perspective generally assumes partially unused resources (such as labor and capital) are available in the economy. In an economy with unemployment, higher defense spending increases aggregate demand which leads to increased national output and higher employment.

¹¹ Intrilligator, M.D., *The Peace Dividend: Myth or Reality*, Gleditsch, N.P., et al. (Eds.), The Peace Dividend. Elsevier, Elsevier Science B.V., Amsterdam, 1996.

On the other hand, if the economy is already at full employment, higher military spending might be inflationary or could be associated with balance of payment problems¹². Nevertheless, the LDCs usually suffer from high unemployment and low consumption due to a scarcity of aggregate demand.

Keynesian theory concludes that the net effect of military spending on economic growth is positive and “in the presence of inadequate effective demand the operation of income multiplier would imply an increase in national product, resulting from additional defense expenditures”¹³. Additional demand and output from the military expenditures will increase the use of capital stock while lowering resource costs, this way increasing the rate of profit and possibly accelerating investment and employment of labor¹⁴. As a result, the economy will experience both a short-run multiplier effect now and higher rate of growth in the future (Deger, 1986).

One can divide these positive effect advocates into two sub-groups depending on the nature of causality. The Keynesian view advocates causality from defense expenditures to economic growth while Wagner’s Law¹⁵ implies a reverse direction of causality.

III.3. Security effects

Another positive consequence of defense spending is a safe environment for members of the society. Security from internal and external threats is crucial for investment and innovation. A secure environment encourages both domestic and foreign investments, and as a result stronger economic growth (Benoit, 1973; Deger, 1986). A powerful military will also provide a stronger position for national leadership in negotiating with other countries in economic, trade or security matters.

Nevertheless, military expenditures can have negative international externalities that can generate an arms race. The Richardson model shows that states arm in order to respond to the threats they believe to come from adverse states. A state will increase its military expenditures as a response to the higher military spending of its adversaries.

¹² Smith, D., Smith, R., *The economics of militarism*, Pluto Press, London, 1983.

¹³ Looney, R. E., *Impact of arms production on income distribution and growth in the third world*, *Economic Development and Cultural Change*, 38(1), 1989, pp. 145-153.

¹⁴ Looney, R. E., *The economics of third world defense expenditures*, Jai Press Inc., London, 1994.

Another argument on the security effects of military expenditures is related to causality, namely if defense spending is exogenous to economic growth¹⁶. If there is a positive correlation between military expenditures and economic growth, the direction of causality between these variables may vary. An increase in economic performance may disclose a need for an increase in defense spending in order to reinforce the country's economy and guarantee the protection of the economy against internal and external threats.

The level of military expenditures depends on how threatened the government feels and how much the government is willing to pay and can afford to sustain for the desired level of security. In consequence, the effects of defense expenditure depend also on security policy, fiscal policy, and foreign policy.

III.4. Differing economic effects of defense spending

Military spending has been an important component of government expenditures both for developed countries and LDCs. The economic effects of military expenditures in each type of country differ. A rise in defense spending implies an increase in aggregate demand for the developed countries. An increase in demand is met by a boost in production of goods and services which causes higher revenue and employment in the economy of the developed countries. Defense R&D and spillover may also increase civil sector productivity.

On the other hand, in the developing countries, an increase in military expenditures most likely takes resources away from civilian productive investments. Defense demand in most developing countries is met by imports. Import-oriented defense technology cannot use the advantage of the spillover that could have favorable effects on the economy (Payne & Sahu, 1993).

Nevertheless, the effects of defense spending on economic growth are not consistent among LDCs. The relationship between economic growth and military expenditures cannot be generalized across the developing countries.

¹⁵ "Wagner's Law states that the development of an industrial economy will be accompanied by an increased share of public expenditure in GNP." (Wagner's Law, 2007).

¹⁶ Heo, U., *The political economy of defense spending in South Korea*, Journal of Peace Research, 33(4), 1996.

According to Heo¹⁷, there could be three factors that make a difference in terms of the economic effects of military expenditures on growth: „ ...the level of defense burden due to opportunity cost, economic prosperity due to the nation's economic capacity to handle the opportunity cost, and regime type of the government due to the difference in the openness of the market and the level of government control over market”.

Looney and Frederiksen (1986) conclude that “increased military expenditures retard growth in countries which are experiencing foreign-exchange constraints, while helping development in those that are relatively well endowed with resources”.

Regime types also make a difference in the economic effects of military expenditures. For example, “military regimes may have tighter controls over markets and be less open to trade, whereas more democratic governments adopt free market principles and open trade policy” (Heo, 1998). Efficiency and effectiveness of defense spending may change depending on the regime type of a country. Notwithstanding, Heo (1998) found no systematic pattern in the relationship between regime type and the economic effects of military expenditures on growth.

IV. RECENT EVOLUTION OF DEFENSE SPENDING

The global military expenditures fell sharply from 1,511 US\$ billions in 1988 to 992 US\$ b. in 1996 (at constant 2010 prices and exchange rates). Then the world defense spending has been almost steadily increasing up to 1,625 US\$ b. in 2011 (see Fig. 1). According to SIPRI, it represents an increase in real terms of 1.3% over 2008 and 50% since 2001. Also, it corresponds to 2.6% of world gross domestic product (GDP) and about \$236 for each person in the world.

¹⁷ Heo, U., *Modeling the defense-growth relationship around the globe*, The Journal of Conflict Resolution, 42(5), 1998, pp. 637-657.

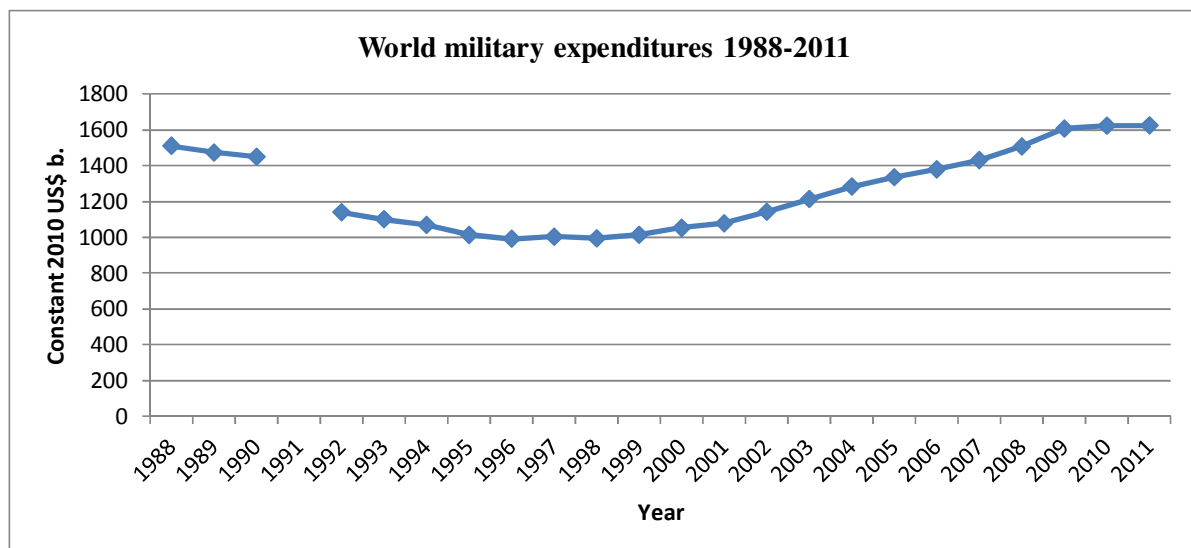


Figure 1. World military expenditures

Source: SIPRI Military Expenditure Database, <http://www.sipri.org/databases/milex/>.

As we can see, even with dramatic cuts in superpower's defense spending after the end of the Cold War, security arrangements have been reestablished all around the world. Post-Cold War security needs have changed after the 9/11 attack on the World Trade Center. The Cold War military organizations were built to fight big wars against the nation states. The 9/11 attack required new structures to fight against stateless terror.

The new issues of national security have required military transformation. It has increased defense spending, especially for the countries that are involved in the war on terror.

The main military spender and the principal determinant of the world trend in 2011, as well as before, is the United States with 41 percent of the world total, followed far behind by China (8.2% of world share), Russia (4.1%), UK and France (both 3.6%) (see Figure 2). Military operations in Iraq and Afghanistan are the main reasons for the recent increase in U.S. defense spending, which are labeled under the 'global war on terrorism' after the 9/11 terrorist attack.

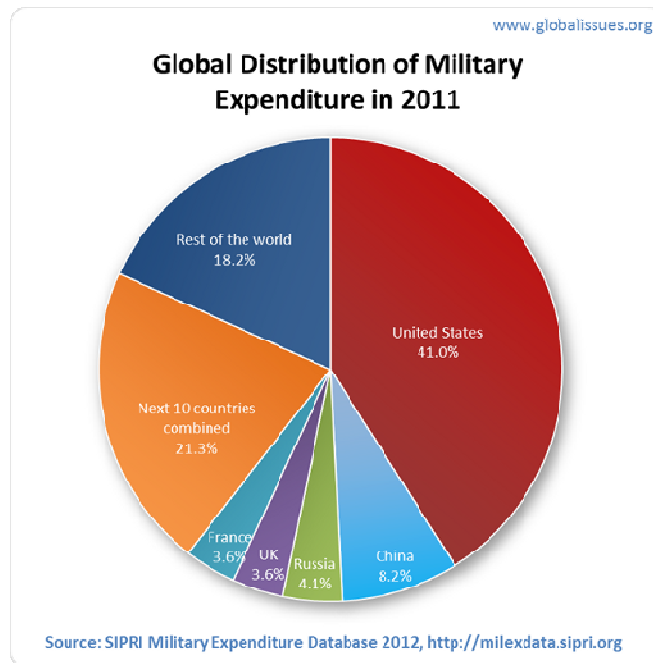


Figure 2. World military expenditures by countries

As SIPRI already outlined in the past, there is increasing concentration of military expenditures, meaning that the first 15 countries main spenders account over 81% of the world total. Regionally, defense spending is concentrated in North America, Europe, and increasingly, Asia (Figure 3).

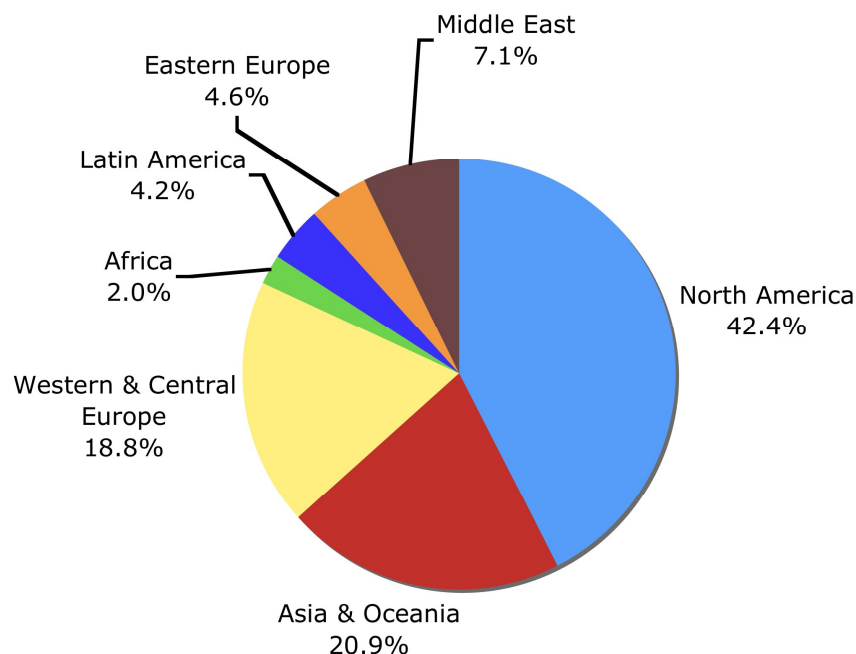


Figure 3. Regional shares of defense spending

Source: Stockholm International Peace Research Institute.

It should be also emphasized the rise at world scale of military expenditures before and even during the latest global financial and economic crisis.

US were the first to increase steadily its military spending for the security reasons mentioned above, but it wasn't alone (see Figure 4).

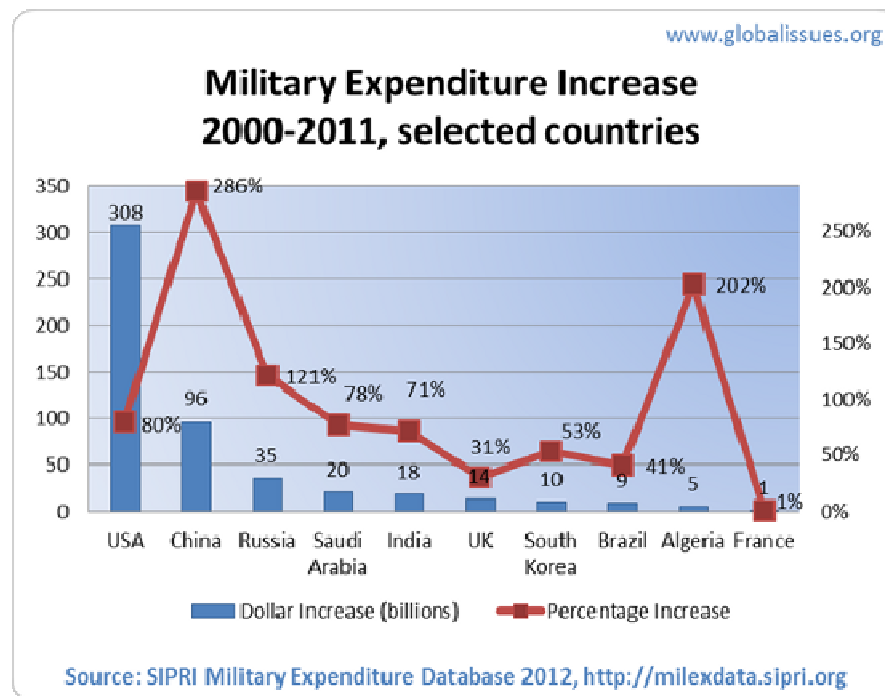


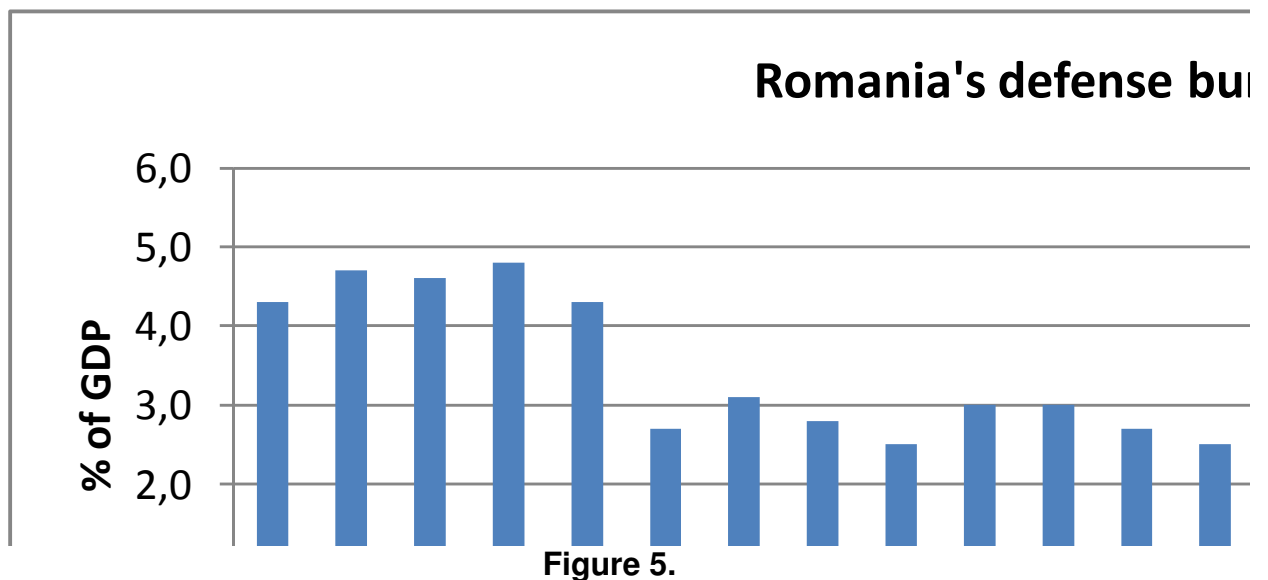
Figure 4.

SIPRI explains this constant rise by a combination of factors. First of all some countries like China and India have not experienced a downturn, but instead enjoyed economic boom.

Also, rising world market prices for fossil fuels and minerals have enabled some countries such as Algeria, Azerbaijan, Russia, Saudi Arabia, Chile and Peru to spend more on their militaries.

On the other hand, strategic and geopolitical interest of the USA as superpower and other major or intermediate powers, such as China, Russia, India and Brazil, led to a significant increase or their military expenditures, even in spite of the financial and economic crisis.

Conversely, smaller countries with no power ambitions and, in most cases, lacking natural resources and credit-worthiness to support major budget deficits have cut back their defense spending. This is the case of Central and Eastern European countries, including Romania (see Figure 5).



Source: SIPRI Military Expenditure Database, <http://www.sipri.org/databases/milex/>.

Each country spares a quite large amount of its national budget for military expenditures and various factors influence the defense burden for a country. The trend of military expenditures may change depending on the increase or decrease in conflicts and security concerns. The recent ascendant trend in world defense spending, even in economic crisis conditions, is a good reason to expect that it will continue the same way in the near future.

CONCLUSIONS

Military expenditures have advantages and disadvantages as policies to encourage economic growth. The neoclassical approach claims that the opportunity cost of defense spending is important and diverts limited resources away from more productive uses. Military expenditures can retard growth through a crowding-out of investment, civilian programs in sectors such as health and education, as well as infrastructural improvement.

The defense burden influences economic growth directly through increased demand, technological spinoff and spillover, and modernization of concepts, and indirectly through increased supply of skilled manpower and decreased investment. Also, defense spending can promote economic growth through Keynesian aggregate demand effects. Rise in demand due to military expenditures produces an increase in

the use of capital stock, larger employment and profits, and consequently greater investment.

Military spending also supports a more favorable security environment that is critical for the efficient running of civilian markets, such as consumer, industrial, and stock markets. The level of defense expenditures for supporting a secure environment entails security, fiscal, and political policies.

Absolutely, the effectiveness of military power of a state is decisively conditioned by economic and industrial structures of the country. It is widely accepted that neglecting the investment strategies for development of production capacities for defense would be a grave error, with negative implications on national security.

The question of the net benefit of military expenditures on economic growth has important political implications, especially for developing countries. Nevertheless, past research indicates there is no universal answer.

In general, the empiric econometric studies show that in the long run the relationship between two variables is negative. Aggregating the effects and expressing the defense costs as resources diverted from economic growth, it becomes evident the correlation between defense spending and investment. Each increase of part for defense from gross national product is accompanied by an equal decrease in the investment, with corresponding negative impact on economic growth.

There are also situations when economic performance coexisted with allocation of a significant share of gross national product on defense. Growth rate, given an increase in defense spending, was kept within acceptable limits to the detriment of consumption. So, the impact did not materialize on the pace of economic growth, but on the living conditions, reducing the rate of consumption fund. From this perspective, aggregating the negative effects of allocations for defense, one can say that they are diverted from consumption fund.

For some countries with competitive position on the international market of weapons and combat equipment, defense industry is an important source of financial and material resources which can produce positive effects in economic growth and even in quality of life of those countries.

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FINANCING NATO EXPENDITURES

Cpt. cdor Eng. Dan DOBRE

CONTENTS

Introduction

- I. Chapter 1 Financial Contributions to NATO**
- II. Chapter 2 The Principle of NATO Common Funding**
 - 1. Section 1 The Principle of Common Funding
 - 2. Section 2 Joint Funding
 - 3. Section 3 Others Ways of Funding NATO Programs
or Projects
- III. Chapter 3 NATO Civil Budget**
- IV. Chapter 4 NATO International Military Budget**
- V. Chapter 5 NATO Security Investment Projects**
- VI. Chapter 6 Fundamental Problems on Budgets**

Conclusions

References

FINANCING NATO EXPENDITURES

INTRODUCTION

North Atlantic Treaty Organization (NATO) is a multinational politico-military alliance that gathers 28 countries from North America and Europe, having the crucial role of protecting the freedom and security of member countries by political and military means. To achieve its objectives NATO makes significant expenditures on personnel, investments, operating and maintenance; therefore the organization shall be financed by the NATO member states.

I. CHAPTER: FINANCIAL CONTRIBUTIONS TO NATO

To implement NATO's policies and actions member countries contribute directly and indirectly to the financial support of the organization. By supporting their own forces participating in NATO-led operations and ensuring the interoperability with the other member countries forces, each member country contributes directly to NATO expenditures. In fact, this is the most important contribution of the member states to NATO. Countries pay all costs when their armed forces participate in operations led by NATO. These countries are also responsible for procurement, supplying and equipping their armed forces with military armament systems.

Most of NATO activities are coordinated and led by NATO structures such as the alliance's headquarters from Brussels. Because any activity involves running costs, it is therefore necessary to have a budget for this headquarters. NATO budget is made through contributions of the member states in accordance with a cost-sharing principle based on the GNI (Gross National Income) of each contributor.

In fact, contributions to NATO's budget represent a very small part of the defense national budget of each member state and, in general, these funds finance just the expenditures for integrated structures of NATO, which are not the responsibility of a single state.

NATO has three budgets financed in this common funding way¹:

- a civil budget – responsible for costs of NATO's International Staff from NATO headquarters in Brussels;
- a military budget – responsible for costs of NATO military structures;
- NSIP (NATO Security Investment Program) – finances the investments.

¹ Source: www.nato.int/cps/en/natolive/topics_67655.htm

Table 1.² NATO COMMON-FUNDED BUDGETS & PROGRAMS
COST-SHARING ARRANGEMENTS VALID FROM 1/1/2010 to 31/12/2011

	Civil Budget	Military Budget	NSIP
Nation	at"28"	at"28"	at"28"
Albania	0.0763	0.0763	0.0763
Belgium	2.1413	2.2904	2.2904
Bulgaria	0.3055	0.3055	0.3055
Canada	5.9532	5.5000	5.5000
Croatia	0.2686	0.2686	0.2686
Czech Republic	0.9010	0.9010	0.9010
Denmark	1.2619	1.5020	1.5020
Estonia	0.1014	0.1014	0.1014
France	11.9201	11.6200	11.6200
Germany	14.8411	15.5360	15.5360
Greece	0.8000	0.8000	1.1029
Hungary	0.6850	0.6850	0.6850
Iceland	0.0658	0.0658	0.0450
Italy	8.5000	8.6467	9.0189
Latvia	0.1367	0.1367	0.1367
Lithuania	0.2048	0.2048	0.2048
Luxembourg	0.1534	0.1534	0.1534
Netherlands	3.3271	3.3516	3.3516
Norway	1.4282	1.5180	1.5180
Poland	2.3284	2.3284	2.3284
Portugal	0.9000	0.7500	0.7500
Romania	0.9651	0.9651	0.9651
Slovakia	0.4068	0.4068	0.4068
Slovenia	0.2376	0.2376	0.2376
Spain	4.6195	4.5595	4.5595
Turkey	3.1374	3.1374	3.1374
United Kingdom	12.5944	11.5478	11.5478
United States	21.7394	22.4042	21.7499
	100.0000	100.0000	100.0000

As it can be seen, the greatest contribution to NATO budgets is United States with more than 21%, followed by Germany, United Kingdom and France each one with more than 10%.

There are also some NATO projects or programs financed in this manner. The participating countries identify requirements, priorities and financing, but NATO oversees projects or programs from the political and financial point of view.

There are two ways for financing NATO programs and projects³:

² Source: www.nato.int/cps/en/natolive/topics_67655.htm

³ Source: www.nato.int/docu/handbook/2006/hb-en-2006.pdf

- **common funding** – where country members contributes to the program's budget in accordance with a cost share agreement, and it is NATO who manages the program or project;
- **joint funding** – where not all the NATO member nations are involved, the program/project is managed by nations themselves and the contributions to the program's budget are made through a signed cost sharing arrangement between participant member states in the program.

These contributions may also be made as donations, ad hoc sharing arrangements, contributions in kind or trust funds. There are no predetermined rules for using a certain type of financing in a particular issue. It can be use either a national financing or a multinational one, with those two ways of financing: joint or common financing, depending on how many countries are involved. The chosen way of financing is influenced by the needed level for integration and interoperability and by the complexity, economic potential and affordability of the nations involved. Very often, combined sources for funding are used.

The same financing sources are used for NATO operation and crisis response missions and for capability projects as well.

Because member countries support the cost of any activity, the financial management of all types of contributions ensures that the member states have the decisive control of expenditures, and is the result of consensus.

The NATO structures involved in financial matters⁴ are:

- the Resource Policy and Planning Board – which is the main board involved in financial problems and manpower;
- the Budget Committee – which supervise both civil and military budgets;
- the Investment Committee – which supervise NATO Security Investment Program.

The last two committees report to the first main board.

However, these structures are not the only ones that rule the financial matters. Ministers from NATO member countries meet twice a year to establish general guidelines on the use of NATO funds. Nevertheless, separate committees make effective management of the funds and sometimes they even have to collaborate on specific activities.

⁴ Source: www.nato.int/docu/handbook/2006/hb-en-2006.pdf

II. CHAPTER: THE PRINCIPLE OF NATO COMMON FUNDING

II.1. The Principle of The Common Funding

When member states establish a need for expenditure, they discuss within the Resource Policy and Planning Board if the principle of common funding is applicable. This means that they analyze if the requirements and the associated need for expenditures are in the interest of all member countries. If it is, the common funding principle is applicable. The criteria incurred for applying this principle are subject to continuous analysis and changes due to unforeseen circumstances. The common funding principle is applied when a stringent need to sustain one of the Alliance's project, operation or mission appears.

Common funding principle is applied for NATO civil and military budgets but also for NSIP (NATO Security Investment Program). In fact, they are the funds where the requirements and priorities are identified by NATO authorities, in accordance with the general objectives and priorities of the Alliance.

If just the military budget and the NATO Security Investment Program are involved in financing a project, we can say that it is about a military common funding. Then the rule "over and above" is applicable for eligibility. This rule says that common funding will assure that the needs for financing are over those that could be available from any national resources and above the interest of a single member state.

II.2. Joint Funding

When a multinational arrangement between NATO member states is made to fund a program or a project, we can speak about a joint funding. The participating member states also identify the requirements, priorities and financing, but NATO has the authority to give a political and financial supervision.

A joint funding arrangement usually leads to the establishment of an organization that is going to manage the arrangement and an agency that is going to implement it. Currently NATO has 14 agencies with activities on a large scale, from research and development to production of defense systems, from ground communication systems to cyber war systems. They can be various from the number of participant states to the structure of their management. Their goals are almost the

same, i.e. to find the most efficient way for using their budgets to achieve better results in the area of activity.

II.3. Other Ways of Funding NATO Programs or Projects

Some NATO programs or projects can use other types of funding like donations, ad hoc sharing arrangements, contributions in kind or trust funds.

III. CHAPTER: NATO CIVIL BUDGET

This budget is responsible for financing the International Staff in Brussels NATO Headquarters, which is the political part of NATO. This budget is made through the contributions of NATO member countries, managed by the International Staff, and overseen by the Budget Committee.

The International Staff of NATO is civilian, it has employees from NATO member states, it is led by the Secretary General, and is responsible for the governing body of the NATO – North Atlantic Council.

The civil budget finances not only administrative, but also some other programs, like science committee and public information, or non-military activities associated to enlargement, such as Euro-Atlantic Partnership Council or to strengthen the European security, such as Mediterranean Dialogue.

The civil budget is built upon a framework, which is based on NATO's strategic objectives, so the funds are allocated to those objectives. The objectives⁵ are grouped into two:

Frontline objectives

- Support to operations: Provide effective policy, planning and resourcing in support of NATO operations and for civil emergency planning activities;
- Alliance capabilities: Perform needed policy and planning work to support Alliance capabilities and personnel;
- Encourage consultation and cooperation: Sustain consultation and cooperative activities with partners to build up security and react to new security threats;
- Public relations: Support NATO and its actions to promote security.

⁵ Source: www.nato.int/cps/en/natolive/topics_67655.htm

Support objectives

- NATO and International Staff support: Provide professional and support services to the North Atlantic Council (NAC), subordinate committees and the International Staff;
- HQ operating and maintenance: Operate and maintain the NATO HQ facility and site by providing buildings and facilities, and management services to the NATO HQ site in Brussels (facilities occupied by the International Military Staff are funded from the military budget);
- HQ security: Ensure NATO-wide security policy, provide security for HQ staff and for operations. This includes the physical security of HQ premises and the overall coordination of NATO security among member and partner countries.

IV. CHAPTER: NATO INTERNATIONAL MILITARY BUDGET

This budget finances all costs of the international NATO military headquarters and agencies for operating and maintenance (it includes costs for staff, operating, and capital expenditures). It has more than 50 different budgets supported, in most countries, from member countries national defense budgets.

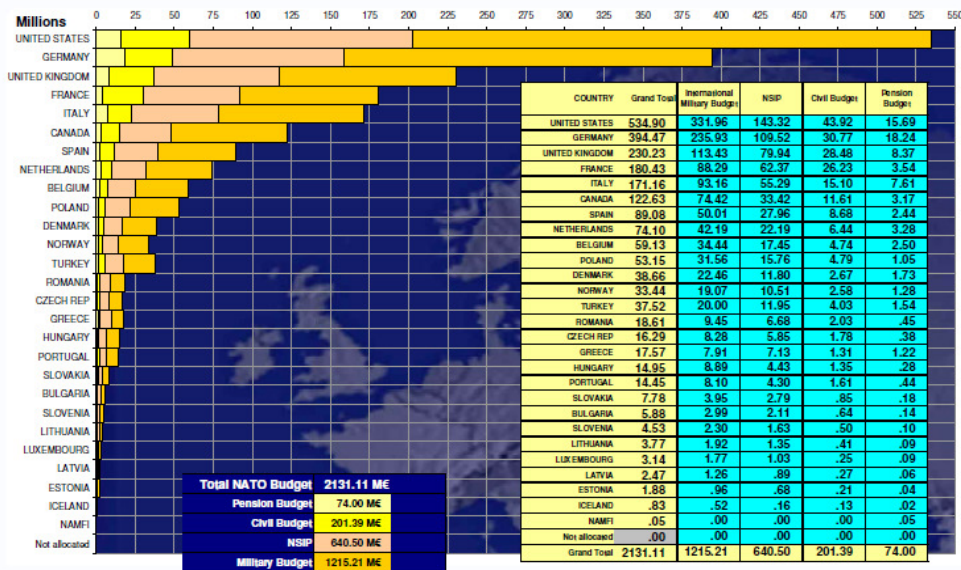
As in the case of the civil budget, a committee supervises the military budget. The Military Budget Committee is in charge with this and is guided by Resource Board Resource Policy and Planning Board. The implementation of the budget is the responsibility of each budget holder.

The military budget is the largest budget of NATO, and it finances the operating cost and maintenance of the military personnel from the NATO International Military Staff headquarters in Mons, Belgium and other subordinate commands from different locations, NATO agencies and programs.

The military budget is discussed and agreed once a year in the North Atlantic Council. The individual contribution of member states depends on the activity; some countries do not participate in all activities and therefore they don't contribute for these activities.

In the next picture is shown the member states contribution to NATO budgets for 2009.

“Big picture” 2009



Picture 1. The member state contribution to NATO in 2009.

V. CHAPTER: NATO SECURITY INVESTMENT PROJECTS

The projects made under NATO Security Investment projects cover a large scale of capabilities or facilities, from command and control capabilities to transportation ones, and from intelligence to logistic support to deployed forces.

The general principles of NSIP common funding are as follows:

- the Minimum Capability Requirement (MCR), which refers at the requirements for a minimum acceptable equipped facility, necessary for military use. This MCR is based on NATO Criteria and Standards. If a facility fulfils the MCR, a common funding is possible;
- the “Over and Above” principle, where “Over” refers to the fact that there are no facilities possible to be provided by a NATO member state, and “Above” refers to the fact that the facility is in the interest of NATO above the interest of a single member state.

All NSIP procurement and capability projects are developed by military staff from NATO military command structures (Allied Command Operations and Allied Command Transformation) based on priorities and approved requirements. The projects are grouped in Capability packages on which NATO Military Authorities decide on the priority to finance.

The management of NSIP projects consists from very complex activities, which imply coordination and communication between NATO and national structures, to meet the projects requirements, and to get financing from NATO funds. The management of NSIP implies also the responsibility of the procurement, monitoring and acceptance of the capability or facility.

VI. CHAPTER: FUNDAMENTAL PROBLEMS ON BUDGETS

There are two ways of budgeting used in NATO. The first one has been used in the past, before 2004, and it is an input based way. It is also called line item budget. This budgeting is based on types of expenses, with expenditure data made based on the experience of the past years. It offers a very good control on the use of funds at each level. It is simple and easy to use, that's why it has been used for such a long period.

Although this type of budgeting confers important advantages, it has limitations for using in some organizations. One is that it does not have any links with objectives and priorities of the organization. It has expenditure lines by category, with no direct relation to the organization activity. On the other hand, the line item budget can be improved by adding supplementary information about the program or performance.

Recently, the North Atlantic Council has endorsed a different kind of budget based on outputs and approved objectives. Thus, the NATO way of budgeting has been changed from a budget based on "What to buy" to a budget based on "Why to buy it".

The advantages of the Output/Objective Based Budget are related to:

- the allocation of resources on output/objective – so any objective is linked with the allocated funds,
- the possibility to prioritize resources,
- the possibility to measure the performance on output/objective.

However, there are some disadvantages of using a new type of budget:

- unfamiliar format;
- resistance to change;
- hard to correlate with historical data.

CONCLUSION

The NATO structures with their activities and missions do not cost a very large amount of money in comparison with the nations' defense budgets, but provide security and confidence between the member states.

Member states contribute to NATO overall expenditures by two ways:

- by supporting their own forces participating in NATO-led operations;
- by contributing to NATO budgets.

There are three main NATO budgets with different roles:

- the NATO Civil Budget – sustains the NATO International Staff;
- the NATO International Military Budget – responsible for expenses of NATO military structures;
- NSIP (the NATO Security Investment Program) – finances the investments.

Currently the NATO way of budgeting has been changed from a budget based on “What to buy” to a budget based on “Why to buy it”.

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NATIONAL CRITICAL INFRASTRUCTURE PROTECTION

LTC Gabriel EPURE

CONTENTS

I. INTRODUCTION

1. Critical infrastructure
2. Evolution of the concept of critical infrastructure
3. European critical infrastructures

II. NATIONAL CRITICAL INFRASTRUCTURE PROTECTION

1. Current situation and existing legal framework in Romania
2. National Strategy for Critical Infrastructure
3. Identification, designation and protection of national critical infrastructure

CONCLUSIONS

REFERENCES

I. INTRODUCTION

1. Critical infrastructure

Infrastructures are part of the backbone of the system, are relational and functional and are the necessary support for the system to identify, individualize, to enter into relationships with other systems to stabilize and, obviously, to work.

Critical infrastructures are those facilities that depend on stability, safety and security systems and processes. They are usually in the special infrastructure category, but, depending on the situation, some of the common infrastructure may become critical infrastructures.

The Canadian definition of critical infrastructure for the term critical, it assigns the following references "*... a serious impact on health, safety, security or economic well-being of Canadians or the effective functioning of government.*"¹. In Germany, the term critical refers to "*... significant disruptions to public order or other dramatic consequences*"². The Dutch approach of "critical" as an attribute of infrastructure, it is cause of "*... social disturbances* "; "*... loss of life* "and" "*... economic damage* "³. In the dictionary, the term "critical", "*... refers to a point or a moment of crisis, which precedes a sudden change (worsening), which can cause a turning point (the bad)* . In general, the literature dealing with critical infrastructure, the term "critical" refers to "*infrastructure, if disrupted or destroyed, would lead to disaster and major damage*".

2. Evolution of the concept of critical infrastructure

The concept of critical infrastructure was developed in the United States following the debates of the '80s on the state of infrastructure. Following these discussions, they identified the infrastructure (such as: capacity and public services) whose function is "critical" for the American economy.

The term "critical infrastructure" has been used formally in July 1996, the U.S. president decreed "*nr.13010 Executive Order Critical Infrastructure Protection*". In the preamble to this law is the notion of critical infrastructure "*... part of national*

¹ *About Critical Infrastructure*, Public Safety Canada accessed January 2008, (www.ps-sp.gc.ca).

² *Critical Infrastructure Protection in Germany*. Federal Office for Information Security (www.bsi.de/english/topics/kritis/KRITIS_in_Germany.pdf).

³ *Netherlands - Report on Critical Infrastructure protection*; Ministry of the Interior September 2005, p.4.

*infrastructure is so vital that destruction or making them incapable of working can seriously reduce U.S. defence and economy*⁴. It is considered that this included: telecommunications, electricity supply system, water, gas and oil deposits, finance and banks, emergency services (medical, police and fire) and the continuity of government. In the autumn, was established the Presidential Commission for Critical Infrastructure Protection, which found that security, economy and even the survival of the industrialized world depends on three interrelated elements: electricity, communications and computers.

September 11, 2001 has demonstrated that a country, however strong, can not to ensure a safe, effective defence of all its vital centres. In 2003 was created Department of Homeland Security, which has as its primary mission the unification of all efforts to ensure the security of America in terrorist attacks, natural and technological disasters. That same year the theme of continuity management and protection of political and economic life of any interruption of its population was developed at the National Security Strategy of cyberspace. Document redefined critical infrastructures as *"public and private sectors of agriculture, food, water, public health, emergency services, government, defence industry, information and telecommunications, energy, transport, banking and finance, chemical and hazardous materials, as well as postal and shipping. "*

Between international organizations with critical infrastructures protection concerns, NATO achieved concrete steps. NATO has developed a series of analyses and studies on the preparedness of Member States in identifying and protecting critical infrastructure. Thus, within NATO, the Member States understand critical infrastructure *"facilities, services and systems that are so vital to the nation, that their removal or destruction of service may have destabilizing effects on national security, national economy, population health and effective functioning of government."*

3. European Critical Infrastructures

At European level, in the general context of increased terrorist threats as well as a more pragmatic response for natural disasters, the European Commission adopted on 20 October 2004, a Communication on Critical Infrastructure Protection in

⁴ *Executive Order Critical Infrastructure Protection*, 15 iulie 1996, Washington, D.C., p.1, <http://www.fas.org/irp/offdocs/eo1301.htm>

the fight against terrorism⁵. In fact, the entire Euro-Atlantic area has resized policy and strategy regarding security of critical infrastructures, especially after the dramatic events of September 11, 2001 in the United States of America, but also in Madrid, 2004 and London 2005. These attacks have confirmed what we knew that long ago, namely the fact that modern societies are becoming increasingly vulnerable to terrorist attacks and asymmetrical threats. These attacks mainly affect individual security and critical infrastructure security, which is the backbone of any society.

On November 17, 2005, was adopted Green Paper on a European Programme for Critical Infrastructure Protection⁶, which were included a number of options for setting up the program and the Critical Infrastructure Warning Information Network - CIWIN.

Since 2006, was initiated a "European Programme for Critical Infrastructure Protection" (EPCIP), with the main purpose to identify critical infrastructures in Europe, analyse their vulnerabilities, dependencies and interdependencies and find solutions for their security".

On December 8, 2008 was adopted Directive 2008/114/EC who propose organization at European level, of critical infrastructure protection.

Critical infrastructures are defined according to European *"physical facilities and technological information, networks, services and assets in case of stopping or destruction incidents can result in serious damage to health, safety or economic welfare of the citizens or governments of Member States activities"*⁷. This includes: systems and networks in the energy sector (mainly electricity production, oil and gas storage facilities and refineries, transmission and distribution systems), communications and information technologies (telecommunications, broadcasting systems programs, material and information networks, including Internet, etc..), finance (banking, securities and investment markets), health care sector (hospitals, care facilities for patients and blood banks, laboratories and pharmaceuticals, services emergency search and rescue), food sector (security, means of production, distribution and agro-food industry), water supply (reserves, storage, treatment and

⁵ Communication from the Commission to the Council and the European Parliament: *Critical Infrastructure Protection in the fight against terrorism*, COM (2004) 702 final, Bruxelles, Belgium, 20 octombrie 2004

⁶ *Green paper on an european programme for critical infrastructure protection* (presented by the Commission) COM (2005) 576 final, Bruxelles, Belgium, 17 noiembrie 2005

⁷ COUNCIL DIRECTIVE 2008/114/EC of 8 December 2008 on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection

distribution), transportation (airports, ports, intermodal facilities, paths rail, mass transit networks, traffic control systems), production, storage and transport of dangerous goods (chemical, biological, radiological and nuclear), administration (basic services, facilities, information networks, assets, sights national monuments). These facilities belong to the public or private.

Therefore, the concept of the European Commission, the public authority must take responsibility for strengthening and protection of such infrastructure.

II. NATIONAL CRITICAL INFRASTRUCTURE PROTECTION

1. Current situation and existing legal framework in Romania

The evolution of global threats, political and military status correlated with current economic and Romania in NATO and the European Union, led translate potential risk factors and the equivalent of the critical national infrastructure, especially in the context of the role of our country in ensuring regional stability and security climate, focusing on the Black Sea basin.

Given the high dependency services to critical infrastructure, the company has become very vulnerable. This vulnerability has increased not only due to external risks and threats, but also because of interdependencies between different infrastructures within the relevant systems. In the protection of critical infrastructure, state and society effort is directed primarily on two broad categories of threats: the terrorist and disaster generated/natural disasters, the growing impact of infrastructure deemed critical.

The first steps towards the configuration of a coherent legal framework for regulating legal protection of critical infrastructure in Romania have been completed with the adoption of Government Emergency Ordinance no. 98/2010, approved with amendments by Law no. 18/2011, and Government Decision no. 1.110/2010. On this basis was created institutional working group for critical infrastructure protection.

Also were stabile meanings of terms and phrases such as:

a) national critical infrastructure, ICN - an element, a system or component thereof, located on national territory, which is essential for maintaining the vital functions of society, health, safety, security, economic or social welfare of people and whose disruption or destruction would have a significant impact nationally because of inability to maintain those functions;

b) European critical infrastructure, ICE - a national critical infrastructure, whose disruption or destruction would have a significant impact on at least two EU Member States;

c) protection of critical infrastructures, PIC - any activity that aims to provide functionality, continuity and integrity of the ICN to deter, mitigate and neutralize a threat, risk or vulnerability;

d) Risk analysis - analysing significant threat scenarios to assess the vulnerability and the potential impact of disruption or destruction of ICN;

e) The responsible public authorities - public authorities provided in Table. 1;

f) Owners/operators/managers of ICN/ICE are those entities responsible for investments in an element, system or component thereof, designated as ICN or ICE and/or operation/ management of their current;

g) Critical threshold - the limit values according to the severity of impact, disruption or destruction of infrastructure and determines its identification as ICN/ICE;

h) Critical Infrastructure Warning Information Network, CIWIN - secure information and communication assistance for national institutions and other Member States to exchange information on vulnerabilities, and appropriate measures to reduce their risk mitigation strategies;

i) Sensitive information regarding critical infrastructure protection - information on critical infrastructure that could be used, if disclosure of the purpose of planning and realization of actions that causes disruption or destruction of critical infrastructure facilities;

j) essential services - the services, facilities or activities that are or may be necessary to ensure a minimum standard of living and welfare of society and whose degradation or interruption of their supply due to disruption or destruction of the physical system would significantly affect safety or security of the population and functioning state institutions⁸.

⁸ Hotararea Guvernului 718 din 13 iulie 2011 (Hotararea 718/2011) pentru aprobarea Strategiei nationale privind protectia infrastructurilor critice, publicata in Monitorul Oficial nr. 555 din 4 august 2011

2. National Strategy for Critical Infrastructure

Current security environment is characterized by significant changes in both the relevance of regional and global actors and environmental characteristics of the ongoing confrontations and optimal management objectives of the problem. Thus, traditional reasons such as gaining territories and vital resources are supplemented by new ones such as the conquest of markets and environmental protection. In this context, there have been changes and advocacy strategies that neutralize a target of critical infrastructure elements dissipate instead of competitors in the overall effort to neutralize competitor. Critical infrastructure may be exposed to various types of risks and threats, depending on how their manifestations. General spectrum of risks and threats including natural events, technical failures, technological and human actions or intentional attacks and other forms of expression which by their nature or magnitude can affect critical infrastructure. These events and incidents have different causes and can cause significant damage or destroy infrastructure elements that are vital for society and population.

Although the need to protect critical infrastructure against terrorist attacks has risen, this category of threat level remains low in Romania. Apart from risks arising particularly from terrorism, attention should be given significant damage that can occur from natural disasters. So far, Romania, critical infrastructure in various sectors, was affected, in particular extreme weather events. It is expected that in future climate change to add pressure on critical infrastructure. Another category of high risk is equipment damage resulting from technical reasons, due to insufficient/inefficient maintenance, rehabilitation and modernization, as well as the cyber dimension (hardware and software), to produce gaps in the functioning computer of critical infrastructures as a result of criminal acts, errors or technical malfunctions / human, natural disasters or managerial deficiencies

3. Identification, designation and protection of national critical infrastructure

Identification, designation of national / European critical infrastructure, and evaluate the need to improve their protection aims to increase capacity to ensure stability, security and socio-economic systems security and protection of persons.

Coordination at national level, activities on the identification, designation and protection of critical infrastructure is made by the Prime Minister of Romania by a privy councillor.

Responsibility for the organization of activities required cooperation between public authorities and responsible structures duties Ministry of Interior, through the PIC Coordination Centre, which provides national contact point in relation to other Member States, the European Commission, NATO and other international structures, and network management CIWIN nationwide.

Sectoral criteria to identify underlying ICN / ICE are:

- a) criterion for victims, evaluated on the number of possible deaths or injuries;
- b) the economic criterion, evaluated on important economic losses and / or degradation products or services, including any effects on the environment;
- c) the effect on population criterion, evaluated on its impact on confidence, physical illness or disruption of daily life, including loss of essential services⁹.

Cross critical thresholds related criteria, defined according to the severity of impact disruption or destruction of certain infrastructures are established by Government decision.

Sectors and public authorities responsible for identifying ICN and ICE are presented in Tables 1 and 2.^{10, 11}

Table 1 Sectors and public authorities responsible for identifying ICN

Responsible public authority	Sector	Sub-sector
Ministry of Economy Trade and Business	Energy	1.1. Electricity, including Nuclearelectrica - capabilities and facilities for production, warehousing / storage, distribution and transport networks 1.2. Oil and oil derivatives - capabilities and facilities for extraction / production, refining, processing, warehousing /

⁹ Non-Binding Guidelines for the application of the Directive on the identification and designation of European Critical Infrastructures and the assessment of the need to improve their protection”

¹⁰ Ordonanta de urgenta nr. 98 din 3 noiembrie 2010 (OUG 98/2010) privind identificarea, desemnarea si protectia infrastructurilor critice, publicat in Monitorul Oficial 757 din 12 noiembrie 2010 (M. Of. 757/2010)

¹¹ Legea 18 din 11 martie 2011 (Legea 18/2011) pentru aprobarea Ordonantei de urgenta a Guvernului nr. 98/2010 privind identificarea, desemnarea si protectia infrastructurilor critice publicat in Monitorul Oficial 183 din 16 martie 2011 (M. Of. 183/2011)

Responsible public authority	Sector	Sub-sector
		<p>storage, distribution and transmission pipelines, terminals</p> <p>1.3. Natural gas and natural gas-derived capabilities and facilities for extraction / production, refining, treatment, storage / storage, distribution and transmission pipelines, terminals</p> <p>1.4. Mineral Resources</p>
<p>Ministry of Communications and Information</p> <p>Ministry of Defence</p> <p>Ministry of Education, Research, Youth and Sports</p> <p>Special Telecommunications Service</p> <p>Foreign Intelligence Service</p> <p>Romanian Intelligence Service</p> <p>Information</p>	Technology and communication	<p>2.1. Systems, communications networks and services</p> <p>2.2. Processing systems, processing and storage data, including electronic public services</p> <p>2.3. Information security infrastructure</p> <p>2.4. Communications systems and networks</p> <p>2.5. Radio and television broadcasting infrastructure</p> <p>2.6. Postal services</p>
<p>Ministry of Health</p> <p>Ministry of Environment and Forests</p>	Water Supply	<p>3.1. Provision of drinking water.</p> <p>3.2 Water quality control</p> <p>3.3. Damming and water quality control</p>
<p>Ministry of Agriculture and Rural Development</p> <p>The National Sanitary Veterinary and Food Safety</p> <p>Ministry of Economy, Trade and Business</p> <p>Ministry of Education, Research, Youth and Sports</p>	Nutrition	<p>4.1. Production and supply of food, ensuring security and food safety</p>
<p>Ministry of Health</p> <p>Ministry of Education, Research, Youth and Sports</p>	Health	<p>5.1. Medical and hospital</p> <p>5.2. Medicines, serums, vaccines, pharmaceuticals</p> <p>5.3. Biolaboratory and bioagents</p> <p>5.4. Emergency medical services and medical transport</p>
<p>Ministry of Defence</p> <p>Ministry of Interior</p> <p>Romanian Intelligence Service</p> <p>Foreign Intelligence Service</p> <p>Ministry of Economy, Trade and Business</p>	National Security	<p>6.1. Defence, public order and national security</p> <p>6.2. Integrated system for state border security</p> <p>6.3. Defence industry, production capacity and facilities and storage</p>

Responsible public authority	Sector	Sub-sector
Special Telecommunications Service		
Ministry of Interior	Administration	7.1. Services and administration 7.2. Emergency services
Ministry of Transport and Infrastructure	Transport	8.1. Road 8.2. Rail 8.3. Air 8.4. Shipping
Ministry of Economy, Trade and Business Ministry of Health Ministry of Education, Research, Youth and Sports	Chemical and Nuclear	9.1. Production, processing, storage and use of chemicals and nuclear materials and radioactive 9.2. Piping products / hazardous chemicals
Ministry of Education, Research, Youth and Sports Romanian Space Agency	Space and research	10.1. Space 10.2. Research

Table 2 Sectors and public authorities responsible for identifying ICE

Responsible public authority	Sector	Sub-sector
Ministry of Economy, Trade and Business	Electricity	1.1. Infrastructure and facilities for generation, transmission and distribution of electricity, including energy used
	Petrol	1.2. Oil production, refining, treatment, storage and distribution pipeline
	Gas	1.3. Gas production, refining, treatment, storage and distribution pipeline 1.4. LNG terminal
Ministry of Transport and Infrastructure	Transport	2.1. road 2.2. rail 2.3. air 2.4. Inland Transport 2.5. Small-distance shipping and ports

During the identification process are drawn each one sheet for each proposed infrastructure crystals. After the identification of ICN, ICN designation is approved by Government Decision.

After designating infrastructure as ICN, the owner ICN should elaborate so-called PSO (procedure for operator security plan). PSO identify critical infrastructure elements of the ICN and existing security solutions to be implemented for their protection. Responsible public authorities and each owner of ICN must appoint, within its own structure, a specialized department in the ICN headed by a security liaison officer ICN which is directly subordinate to the head responsible public authority or manager of ICN. Staff in the department specializing in the ICN has responsibilities for the design, implementation, evaluation and updating of the plan of measures developed in the responsible public authority, namely the PSO. The procedure will cover at least the following aspects:

- a) Identify the important elements;
- b) A risk analysis based on major threat scenarios, the vulnerabilities of each element and the potential impact;
- c) identification, selection and prioritization of countermeasures and procedures regarding, distinguishing between permanent security measures, which identify indispensable security investments and means which are relevant for use in any situation. In this chapter will include information on general measures such as technical measures - including the installation of means of detection, access control, protection and prevention - organizational measures - including procedures for alerts and crisis management - , control and verification measures, communication, awareness and training, graduated security measures that can be activated with the different levels of risks and threats and security measures in the field of information systems.

CONCLUSIONS

From the national critical infrastructure are a number of critical military infrastructure, such as military communications networks at the strategic and tactical level, infrastructure of these networks, facilities on military airfields, the military ports, military bases and from other locations, networks, pipelines, storage and supply systems, fuel, ammunition, food and products of first necessity in time of the Covenant and the participation in war or armed conflict and crisis management, road infrastructure, railway and naval, network storage, arsenals, computer networks systems. This makes the inclusion of the Ministry of the National Defence in the category of responsible public authorities to be fully grounded.

However, to my knowledge, has done very little, given that the deadline for completion of the identification of critical national infrastructure (end 2011) is already exceeded.

Legislative steps in terms of implementing this concept prove to be insufficient as long as the terms and basic concepts are poorly known. Also, as long as no specialist training, the implementation will still be difficult. Therefore it is necessary to introduce into the curricula of the network of universities, colleges and institutes of national critical infrastructure themes, in close cooperation with interested entities, both national and European level.

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THE COMMUNICATION IN CONFLICT AND CRISIS SITUATIONS

Commissary Robert ROMAN

CONTENTS

Introduction

- I. Chapter 1 THE CONFLICTUAL PROCESS. CONFLICTS
IN THE PENITENTIARY ENVIRONMENT**
 - 1. Section 1 Definition of conflict
 - 2. Section 2 Types and feature of conflicts
 - 3. Section 3 Specific steps of the conflict process
 - 4. Section 4 Sources of the conflicts
 - 5. Section 5 Conflicts in prison environment
- II. Chapter 2 RELATIONSHIPS BETWEEN STRATEGIES AND
TACTICS TO MANAGE CONFLICTS. TACTICS FOR
CONFLICT RESOLUTION THROUGH COMMUNICATION**
 - 1. Section 1 Strategies for management of conflicts
 - 2. Section 2 Methods for avoiding conflicts
 - 3. Section 3 The stimulation of conflicts
 - 4. Section 4 Sources of the conflicts
 - 5. Section 5 Phases in the process of resolving conflicts
 - 6. Section 6 Advantages and disadvantages in resolving the
conflicts through negotiations

Conclusions

References

INTRODUCTION

For a good understanding of the subject I will take the opportunity to say from the very beginning that I chose this domain due to the implications of interpersonal conflicts in the life and social networking of the people regardless of their status or the horizon of their social, political, cultural, professional, economic or otherwise in order to differentiate substantially the local or global communities members.

The realities of social, political, economical of our society and technical progress which are evident in the last century show that the interpersonal relations between humans are subject to the actual environmental influences and lifestyle and that the individual is forced to deal with situations more or less strain, on different tiers, with effects evident in his evolution within the society. By default, this causes the human interactions in different moments and situations to have sometimes immediate positive effects, but unfortunately mostly negative personal and professional.

I have been working in the Romanian penitentiary system for 15 years, so regarding my experience in the field of execution the prison sentences, I am willing to emphasize a series of individual and organizational, psychological aspects that determine and influence the major mode of execution of the penalty of imprisonment by the persons convicted to punishment.

This paper deals with the relationships between persons deprived of freedom inside the prison - as a distinct community based on the official and "informal" rules – and also with the conflicts that take place on a regular basis, some of the tactics that can be used in reducing the prison administration staff, provided that this process is under the sign of effective communication must exist between human categories involved.

I would like to point out that the issues of this paper may have similarities with existing personnel and professional relations in the Ministry of National Defense, and here I have in mind the organizations based on specific rules, socio-professional and institutional hierarchy.

I. THE CONFLICTUAL PROCESS. CONFLICTS IN THE PENITENTIARY ENVIRONMENT

I.1. Definition of conflict

The conflict is the result of an individual or a group interference with another individual or group in their efforts to achieve some targets. The two sides have incompatible objectives and the attempt to achieve the objective by either party determines the impossibility of reaching the objectives of the other side involved. Where conflicts do not receive proper attention, they are likely to lead to crisis situations.

One of the problems common to all jobs and often giving rise to feelings of excitement, frustration or anger is represented by the conflict.

Conflicts naturally occur when people start to interact. Two people working together can not agree on how each performs their own tasks or on how they treat one another. This is normal, and at the same time can have a positive side. When two people disagree this means that both care and their problems are not indifferent. Both teams and individuals need conflicting interactions in order to progress. Innovative ideas may occur as a result of the conflicts.

I.2. Types and feature of conflicts

Conflicts may be positive (productive) and negative (destructive). Positive conflict reshapes existing situations, it represents the force which triggers creativity and innovation. It can prevent stagnation, it stimulates interest and curiosity, captures problems, and offers support to solutions.

Positive conflict can test ideas, can stimulate the generation of alternatives regarding decision and can prevent hasty decision taking, can increase the level of understanding of the issues, can increase the involvement of the members of the group, can stimulate interest and interaction, creative thinking and therefore the quality of decisions and adherence to their implementation.

Negative conflicts reduce cooperation, teamwork, produce violence and hostility, destroying the existing one without replacing it and lead rather to death and destruction than to progress.

The key to a successful management is getting positive results when the conflict can be destructive.

There are two types of conflict:

- a. unjustified conflict - occurs as a result of the language used in discussions with others;
- b. if, regardless of the issue, the circling approach of unresolved, and the behavior of each person involved demonstrates an outstanding wish "to pour gas on the fire" (unsolved conflict);

The characteristics of negative conflicts consist of:

- The conflict between the parties shall take place during a considerable period of time and involves a large number of problems stemming from the initial one;
- Individuals have given up resolving the conflict and began listing "victories" and "defeats";
- Individuals focus greatly, if not exclusively, on issues such as the personal behavior, the way of thinking, and the physical flaws of others;
- People are "labeled";
- The parties seek support from a higher authority to "resolve" this problem through the use of power (e.g. the Director is required for someone to be fired or punished, etc).

I.3. Specific steps of the conflict process

In general, conflicts should be understood as identifiable stages and processes which manifest themselves in a dynamic manner.

The potential for conflict is the result of previous conflicts and consists of a set of organizational causes. Members of an organization or an environment become aware of a potential conflict in two ways:

- a. Frustration which is an emotional response in situations where individuals fail to achieve the objectives set; these failures generate feelings of anxiety and create tension at the level of the individuals.

- b. Conceptualization which means a logical analysis of the situation, in which every part determines who or what is responsible for the personal lack of success. To become obvious, namely to be effective, there is a need for an event to precipitate the conflict. Refusal of cooperation, verbal attack, sabotage, gossip, rumors, plot for the creation of coalitions and deliberate mistakes are obvious examples that contribute to the emergence of conflicts.

The conflict process has both visible and invisible components. Conflict management requires a certain ability to capture the invisible history of a conflict

started. The most important tool for diagnosis is awareness of potential sources of conflict.

The conflict process unfolds in five steps that incorporate each other:

- a. Conflict situation: the emergence of the source generating potential and observable conflict (incompatibility, partial or total opposition parties);
- b. Engaging in the conflict: the period which confrontations occur between parties and this does not lead to a solution to the conflict;
- c. The crisis: violent confrontation between the parties, leading to a solution;
- d. Solution of the crisis: finding a solution that solves the problem;
- e. Post-conflict situation: the consequences of the conflict and the action taken.

I.4. Sources of the conflicts

Sources of conflict can be classified into two types:

- a. General sources: bureaucracy, gossip and rumors;
- b. Specific sources: the structure of the organization, community or environment to be analyzed.

I.5. Conflicts in prison environment

Conflicts in the penitentiary environment can occur in the following situations:

- a. Situations generated by the opposition against the prison's internal regulations and the behavior of persons deprived of their liberty who want to make what is prohibited, to have prohibited objects, to undertake prohibited actions, to make what is accepted more frequently than what is permitted, to make what is permitted, but sooner ("this moment") than it is possible and provided by the regulation and to challenge staff members without a specific problem solved.
- b. Situations generated by the style of behavior of detainees within the hierarchical criminal structures or engaged in conflict, such as: group position (in the cell), goods, debts of objects, theft or deception in transactions with objects, taken from the property by force or under the excuse of protection without explanation, gambling debts, debts or deceptions in transactions with products like: alcohol, knife, pills; payment services, regarding "honor" among prisoners (relative to the entire prison), revenge, outside business (clans, families, women).
- c. Situations caused by dysfunction of the institution, such as: incoherent authority style, a style of inappropriate authority, although coherent, challenges,

manipulation, insufficient information on the detainees with regard to regulation, the obligations of their rights, failure to comply with the obligations of the service by the staff.

d. Situations caused by interpersonal incompatibilities influenced by incomplete and incoherent legislation, social order undefined (the European Union and the Standard Minimum Rules recommend a so-called social function of penitentiaries which the Romanian society has not accepted it yet) and prestige low moral values in Romanian society today (without money).

II. RELATIONSHIP BETWEEN STRATEGIES AND TACTICS TO MANAGE CONFLICTS. TACTICS FOR CONFLICT RESOLUTION THROUGH COMMUNICATION

II.1. Strategies for management of conflicts

"Conflict management" suggests a more open attitude to the conflict, which entails, in certain moments, the need to challenge and stimulate conflicts. There are two strategies within organizational conflict management: avoiding and stimulating.

The potential for the emergence of conflicts can be controlled by the structure adopted by the group. Factors contributing to the emergence of conflicts (differentiation, interdependence and common use of resources) can be changed so that the potential for the conflict could be diminished. Stimulating conflicts involve changes in the opposite direction by which conflicts can be reduced, thus increasing the potential for conflict.

II.2. Methods for avoiding conflicts

There are three ways of avoiding conflicts:

a. reduction of differentiation by processing departments so as to be similar to each other;

b. cross-training, in which every person could work in other areas than those in which they were accustomed, developing a broader set of skills instead of specializing in one area;

c. reduction of the degree of interdependence between groups. In most cases, organizations try to avoid mutual interdependence by organizing the flow of activities in a concentrated or sequential form.

One of the basic functions of middle managers in most organizations is to track and resolve any conflicts between the upper and lower levels.

II.3. The stimulation of conflicts

At first sight, the concept of stimulating the conflict may seem contrary to the classical manner of understanding and dealing with the management of communication, organization and efficiency. However, when we take into account the effects of conflicts and see them as being productive not only negative, fostering conflict seems to get some sense.

Normally, an action which requires proper assessment is represented by the organization's general performance. Activities characterized by a high degree of routine in the stable environments may be encountered in very many areas and the maintaining of existing situation is profitable. The conflict should be introduced only when it is really necessary and where and when the lack of innovation and change causes problems in carrying out the activities. In order to do this, the methods are naturally opposed to those which prevent conflicts. Using these strategies to trigger potential conflicts determines the level of conflict in an organization.

II.4. Communicational tactics in management of conflicts

At the same time there will be suggested two communication tactics for managing conflicts resulting from the choice of one or the other of the strategies.

One of the tactics is to resolve the conflict in a constructive manner through collaboration. In a situation where there are obtained no results through collaboration, we can use the second tactic, negotiating through negotiations.

The two strategies are macro approaches to conflict. In terms of orientation, tactics are the micro approach. In practice, both strategies and tactics must be taken into account in the management of conflicts.

Once it has appeared, a conflict has to be handled either through negotiation or through collaboration.

a. Collaborative conflict resolution: resolving conflicts transforming a negative potential conflict into a positive. Instead of avoiding the conflict, the organization will benefit from its effects by encouraging cooperation and mutual understanding. The first tool that can be used for this strategy is confrontation.

Confrontations allows acceptance of legitimate differences and charged subunits conflict as a natural process in most organizations. The solution to resolving

conflict is not felt or perceived as suppression, but the open recognition of the differences.

The confrontation in an objective manner and differences related to the orderly activities, often leads to achieve agreements between the parties. It was demonstrated that the most effective organizations are precisely those in which it reaches the highest level of differentiation and integration, and conflicts are resolved through open confrontation.

Collaboration and open confrontation require a high level of trust between the parties. This confidence can be achieved mostly through an open behavior of employees, to avoid gossip or rumors, or through training sessions moderated by neutral consultants. All these are based on the idea that employees will work better when there is a mutual understanding and trust between them. The development of the organization as a team involving the examination of working relations, feelings and informal aspects of the organization to resolve organizational issues in a more efficient manner.

As a side-benefit may be withheld that members can get to know better the personal point of view. Such collaboration becomes a desirable tactic when avoiding conflicts may be considered inappropriate or conflict was spurred deliberately.

b. Resolving the conflicts through negotiations. When the conflicting parties are able to submit and to use the information available or do not trust in other members, you can call the negotiations to resolve the conflict.

On the contrary, the object of negotiation and cooperation, involves a more reserved attitude as regards the expression of confidence and dissemination of information held by members of the groups or organizations. Negotiation is similar to the collaboration in that both sides are looking to identify a solution in a systematic manner.

Difference to collaboration is that the parties are considered to be opponents, working only when their own interests are affected to an optimum level in terms of negotiation.

The conflict involves a breach of prison regulations. Part of the settlement is sanctioning the non-disciplinary defaults. The essence of the settlement lies in resolving the problem which it has generated. Negotiating does not concern the application of the regulation. "Bargaining" is not a negotiation between staff and inmates, related to the punishment or not of an inmate. Negotiation occurs during the

process of resolving a crisis – irrespective of the gravity of this situation – after we identified the problem that led to the onset of the crisis.

II.5. Phases in the process of resolving conflicts

The process of crisis resolution has the following logic:

- any conflict can be expressed as an unresolved problem;
- any problem has at least one solution;
- prisoners have the right to opt for one or the other of the possible solutions to their problems;
- Once the solution has been agreed with the parties involved in the conflict, it will be implemented without deviations.

Most often in prison conflict resolution process manifests itself as a process of resolving a crisis.

The process of resolving the crisis has two phases:

- a. Intervention – working with prisoner/prisoners involved in the crisis situation in order to avoid/remove/prevent violent actions – that aims to render the situation of crisis of parties involved and the opening of communication channels for the preparation of the negotiation itself;
- b. negotiation with the prisoner/prisoners involved for choosing a non-violent solution to the problem which is the cause of the crisis situation, solution that complies with the regulation; starts from the premise that conflict is an issue, so it has at least one solution.

II.6. Advantages and disadvantages in resolving the conflicts through negotiations

Advantages	Disadvantages
Maintains tension at a low level throughout the whole process	Requires allocation of a long time to solve a problem
Fixes problems while complying with the highest degree of detainees rights	Requires an effort of training for staff
Solutions are more effective in the long term	Requires the existence of a large number of agents and inspectors
Reduces by eliminating the risk of a major crisis: deputies taken hostage, riots	It is very difficult to use in conditions of overpopulation and small rooms (over 30 people in the rooms)

CONCLUSIONS

In this paper I tried to present the psychological perspective and institutional issues such as the conflict between different human social categories with particular attention on persons deprived of liberty sentenced to prison.

Although the paper does not cover the whole area of particular and detailed elements of the genesis and evolution of conflicts, all the types of conflicts, as well as all existing ways of managing these forms of human confrontation, I think we can say with certainty that:

- conflicts are generated by human interaction, and it expresses its disagreement naturally between the two different points of view, in the case of positive conflicts;

- positive conflict which is not resolved by understanding the parties determines a slightly negative conflict;

- the conflicts can cause human progress;

- an efficient structure adopted in the local or global communities may reduce the risk of opening conflicts

- managers need to understand the importance of prevention and mitigation of conflicts between hierarchical landings

-with reference to the enforcement of imprisonment's sentences, conflicts must be managed through cooperation or negotiation, duplicate of a permanent communication between the Administration and convicts

- ANY CONFLICT HAS AT LEAST ONE RESOLUTION!

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CREW RESOURCE MANAGEMENT

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CONTENTS

Introduction

I. Chapter 1 Why Crew Resource Management (CRM)?

1. Section 1 **Core elements of crew resources management**
2. Section 2 **Objectives of Crew Resource Management**
3. Section 3 **Human performances enemy**

II. Chapter 2 Genesis of accident

1. Section 1 **Perception error**
2. Section 2 **Decisional error**
3. Section 3 **Performing error**

III. Chapter 3 Crew Resource Management Components

1. Section 1 **Communication**
2. Section 2 **Situation Awareness**
3. Section 3 **Assessment**
4. Section 4 **Assertiveness**
5. Section 5 **Decision Making**

Conclusions

References

Introduction

Air transport remains one of the safest methods of moving people and goods from one point to another in world. The number of fatal accidents per flight hour is extraordinarily low however the industry suffers a paradox of very low accident rate but a great risk for losing of life. Despite this, humans are at the root cause of almost each incident due to humans ultimately design and/or interact with all elements of the wider environment. Despite rapid gains in technology, humans are ultimately responsible for ensuring the success and safety of the aviation industry. They must interact with many components including weather, technology, social systems; they must continue to be knowledgeable, flexible, dedicated, and efficient while exercising good judgment. Meanwhile, the industry continues to do major investments in equipment, training and systems that have long-term implications. Due to technology continues to develop faster than the ability to predict how humans will interact with it, the industry can no longer depend as much on experience and intuition to guide decisions related to human performance.

1. Why Crew Resource Management (CRM)?

CRM = HUMAN FACTOR

Human factors is about people in their living and working situations, about their relationships with machines, with procedures, with the environment about them and with other people involving gathering information about human abilities, limitations, and other characteristics and applying it to tools, machines, systems, tasks, jobs, and environments to produce safe, comfortable, and effective human use. In aviation, human factors is dedicated to better understanding how humans can most safely and efficiently be integrated with the technology. That understanding is then translated into design, training, policies, or procedures to help humans perform better. The human factor is the most flexible, adaptable and valuable part of the aviation system. But it is also the most vulnerable to influences which can adversely affect its performance. Optimizing the role of crew members in the aviation field implies all aspects of human performance and behavior: decision making, the design of displays and controls and the cabin layout, computer software, and checklists.

Crew Resource Management is the application of human factors knowledge and skills to perform flight operations with the objective of efficiency using people,

equipment and systems to reach safe flight operations. CRM combines individual skills and human factors knowledge with effective crew. CRM is focusing upon the management of human, equipment, systems to reduce errors.

Crew resource management is a model of management used to manage threat and error in aviation.

1.1 Core elements of crew resources management

Core elements are the fundamental elements and “building blocks” for the system to work. System would not work without these keys elements and could be rendered useless. Goal setting is required to implement a course of action.

- Cooperation and communication are required to ensure that everybody is aware of the goals and working towards them;
- Cooperation is the mutual work of all team members working together each contributing to achieve the goals of the system;
- The process of monitoring and the feedback ensure that the goals are being worked towards and adjusted as required coordination.
- The human error issues could be seen in two ways: the system approach and the person approach. Each way has its model of error causation and each model gives rise to quite different philosophies of error managing. In many cases, incidents result from performance errors made by healthy and properly certificated individuals. The sources of these errors could be traced to unmodernized equipment or procedure design or to inadequate training or operating instructions. Low levels of human performance capability and limitations in human behavior result in less than optimum performance.

1.2 Objectives of Crew Resource Management

The objectives of CRM training are as follows:

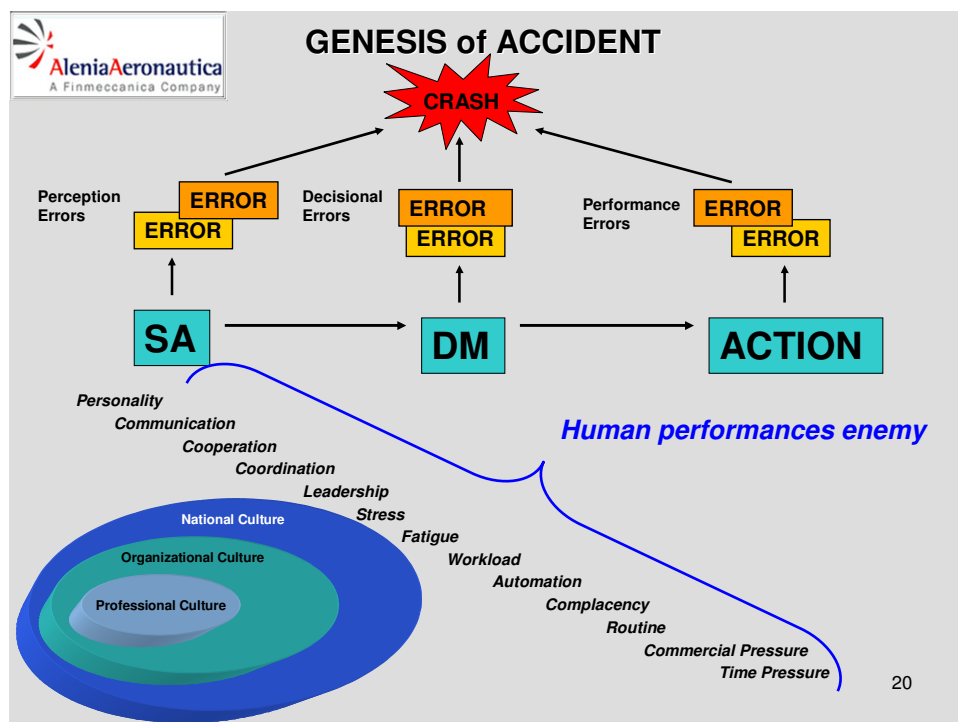
- a) To augment crew and management awareness of human factors this may cause incidents with result in affecting the safety of air operations.
- b) To augment knowledge of human factors and develop CRM skills and attitudes.

c) To use Crew Resource Management attitudes knowledge, skills and to conduct and manage aircraft operations, and integrate these techniques, so as to prevent the occurrence of incidents.

d) To use these skills to integrate commercially efficient with safety of aircraft operations.

e) To improve the working environment for crews and all those involved with aircraft operations.

f) To augment the prevention and management of crew error.



1.3 Human performances enemy:

a) Personality:

Accident causes starts from starting to stop engines. Incident-prone aircrew shares same personality traits, which make them vulnerable to incidents. They fail at stress coping, may internalize their feelings or externalize their feelings. These traits could have as result personality conflicts. If a pilot is highly accident prone, may perform errors either by an act of or omission or commission.

Studies were carried out to discover if there is any relation between personality and performance in terms of accident rates.

The five hazardous thought patterns namely Invulnerability, Resignation, Impulsivity Macho attitudes, Anti-authority, which increases the incident risk have been identified to have connection with certain personality dimensions.

b) Communication

Communication issue takes a variety of forms. Similar call signs, blocked transmission, equipment deficiencies, failure of the read back / hear back process, phraseology, speech rate, are just a few types of communication troubles.

There are two main ways in which communication can cause problems. These are lack of communication and poor communication. Misleading, ambiguous, poorly constructed communication inappropriate, combined with expectancy, have been listed as factors of many accidents.

c) Coordination

Coordination among the crew is the advantage of teamwork over a collection of highly skilled individuals. Its highly benefits are:

- increasing in safety by redundancy to detect and fix individual errors;
- Increasing in efficiency by the organized use of all existing resources, which improves the in-flight management.
- The main elements determining the improvement of crew co-ordination are the training motivation, attitudes, of the team members. Especially under conditions of stress, there is a high risk that crew co-ordination will break down. The results are a decrease in communication an increase in errors (e.g. wrong decisions) and a lower probability of correcting deviations from desired flight path. More than that, emotional conflicts may result in the cockpit.
- The high risks associated with a breakdown of crew co-ordination show the need for crew resource management training. The CRM training ensures that:
- The crew members has the maximum efficiency and capacity for the main task of flying the aircraft and making the right decisions;
- The workload is equally distributed among the crew members, so that excessive workload for any individual is avoided;
- Coordinated cooperation including the exchange of information;
- The support of crew members and the monitoring of each others' performance will be kept under normal and abnormal flight situations.

d) Leadership

In normal terms, leaders are somebody understood to be the “motivators.” They must inoculate among the employees the driving force, the rationale, the need,

the *raison d'être*. In other words leadership must have some power to force feed, to inject, to create a sense of urgency in the employee.

A leader is a person whose ideas and actions influence the thought and the behavior of others. Using as example and persuasion, and an understanding of the goals and needs of the group, the leader becomes a means of change and influence.

e) Stress

- Different stressors affect many people to varying ways. Stressors could be:
- Psychological - such as emotional upset due to domestic problems, for instance, worries about real or imagined problems like ill health, etc.);
- Physical - such as noise, vibration, cold, heat, presence of something damaging to health (e.g. carbon monoxide), the onset of fatigue;
- Reactive – like those events occurring in day to day life (e.g. encountering unexpected situations, working under time pressure, etc.).
- The possible signs of stress could include:
- Physiological symptoms - such as dryness of the mouth, sweating, etc.;
- Health effects - such as sleep problems, headaches, nausea, ulcers, diarrhea, etc.;
- Behavioral symptoms - such as nervous laughter, shaking, restlessness, excessive drinking, changes to appetite, etc.;
- Cognitive effects - such as forgetfulness, indecision, poor concentration, etc.;
- Subjective effects - such as aggression, anxiety, depression, irritability, moodiness, etc.
- The fact that should be mentioned is that individuals respond to stressful situations in very different ways.

f) Fatigue

Fatigue is mainly caused by sleep loss, delayed sleep, and concentrated periods of physical or mental stress. In the workplace, working during normal sleep hours, working on rotating shift schedules working long hours, all produce fatigue to some extent.

Symptoms of fatigue may include:

- Poor judgment and decision making leading to increased mistakes;
- Problems with short-term memory;
- Being easily distracted by unimportant matters;

- Channeled concentration - fixation on a single possibly unimportant issue, to the neglect of others and failing to maintain an overview;
- Diminished motor skills and slow reactions;
- Diminished perception (hearing, vision, etc.) and a general lack of awareness;
- Abnormal moods - periodically elated and energetic, depressed, erratic changes in mood;

g) Workload

This encompasses many concepts like mission planning, workload distribution, stress management. Accidents often happen in unbalanced situation when workload demands are greater than team capabilities. In crew member's perspective, most accidents happen in critical situations like take-off and landing phases. These phases are periods on high workload. But surprisingly, low workload could also cause accidents. In flight crew member's perspective, during the cruise segments of flight, the pilots could be less focused than they are on take off and landing process.

h) Automation

Pilot training is highly important and it is also very expensive. There are many controversial ideas regarding with the amount and kind of training required enabling pilots to operate different and new aircraft efficiently and safely.

Some claim that automation reduces training costs and also reduces the level of traditional flying skills required in conventional aircraft, while others propose that automation requires additional skills. The interface between transport aircraft and the pilots who operate them is of great importance, as are the interfaces between the pilot and the manufacturer, procedures, Standard Operating Procedures and company operating philosophies.

In these circumstances, a controversial changing role of the flight crew in automated flight deck arises. It comprises at least two main questions:

- Is the pilot a control operator, a systems manager, or both?
- If a difference exists, is it in the pilot's role, or in the elements of that role?

Higher-level functions, such as flight planning/pre-planning, decision-making, system status management, should be performed primarily by humans with the help of automation.

i) Complacency

Complacency is caused by the very things that should prevent accidents, factors like experience; training and knowledge contribute to complacency. Complacency makes crews skip hurriedly through checklists, fail to monitor instruments closely or utilize all navigational aids. It can cause a crew to use shortcuts and poor judgment and to resort to other malpractices that mean the difference between hazardous performance and professional performance.

j) Routine

Routine flight operations can and will continue to be a latent threat to flight crew members. Pilots and training facilities need to increase their vigilance of this threat and expand on safeguards and awareness training.

k) Commercial Pressures

Commercial awareness is for sure important; pilots need to factor commercial considerations into their decision making process always and maintain a safe operation; it is not easy to get the balance right.

Passing commercial pressure onto the people engaged in the safety critical functions of an operation can be all too convenient for management and commercial staff; awareness of these needs to be acknowledged and actively discouraged. Keeping an airline operation profitable, especially in difficult economic times, is a real challenge. Everyone in the company needs to work together to ensure that the operation is efficient.

l) Time pressure (Hurry up syndrome)

Hurry-Up Syndrome is that situation where a pilot's performance is decreased by a assumed or actual need to rush tasks or duties for any kind of reason. These time-related pressures include the need of pressure from ATC to expedite taxi for takeoff, a company agent or ground agent to open a gate for another aircraft, to meet a restriction in clearance time, the pressure to keep on schedule when delays have occurred due to weather or maintenance or, the inclination to rush to avoid exceeding duty time regulations

2. Genesis of an accident

The roots of genesis of accident are the following errors:

- perception error
- decisional error
- performing error

a) Who Made The Error?

Errors could be made by one individual, or they could be made by the flight crew members as a collective unit.

b) Doing Something Wrong Or Maybe Not At All

Human errors may be categorized as errors of omission or commission. Errors of omission are those in which the pilot neglected to perform any elements of a required task. Errors of commission are those in which pilots performed some element of their required tasks incorrectly, or executed a task that was not required and which produced an unexpected and undesirable result.

2.1 Perception error

Errors involving misjudging information comprise the majority of perceptual errors and represent misperception as opposed to non-detection. Analogous to decision errors made in the presence of correct and adequate information, misperception errors are disheartening as pilots inaccurately code or improperly process accurate cues from the environment. The misjudging of altitude, distance, or descent comprises a large proportion of the perceptual errors cited within the present database. Much like skill-based errors, these perceptual errors may be because of degraded skills due to lack of recency, experience, or training. However, in addition to training and practice, other interventions, such as improve displays may improve the vertical nature of pilots' perceptions. For example, such technologies as radar altimeters, angle-of-attack indicators, or other such displays may ultimately reduce perceptual errors and related accidents.

Spatial disorientation and difficulties in perception are expected to occur at a lower frequency than is found within military aviation, particularly within the dynamic domains of fighter, tactical, aerobatic, or night operating aircraft

2.2 Decisional error

Decision process for aviation involves two components: situation assessment and choosing a course of action. Situation assessment implies defining the problem as well as evaluating the levels of risk concerning with it and the amount of time at

your disposal for solving it. As long as the problem is defined, a course of action must be chosen. The course of action is picked up from the options available in the particular situation.

The Factors that Contribute to Decision Errors:

- Goal conflicts;
- Ambiguity;
- Consequences not anticipated;
- Underestimating risk.

2.3 Performing error

At same point in time, a pilot normally carries out several tasks simultaneously. Different error types are often associated with so-called performance levels. For instance, a pilot may be flying the aircraft manually, going through the checklist read by the pilot not in flight and remaining vigilant for any radio traffic communication. For the purpose to be capable of such multi-tasking, despite limited attention resources, the human cognition performs familiar tasks with minimal attention and the most familiar tasks automatically.

3. Crew Resource Management Components

Crew Resource Management encompasses a wide range of knowledge, skills and attitudes including communications, situational awareness, assessment, assertiveness, decision making, and teamwork.

Cognitive skills are defined as the mental processes used for reaching and maintaining situational awareness, for solving troubles and for taking decision process.

CRM is concerned not so much with the skills required to fly and operate an aircraft, technical knowledge, but rather with the cognitive and interpersonal skills needed to manage the flight within an organized aviation system. Interpersonal skills are regarded as communications and a range of behavioral activities concerning with teamwork.

3.1 Communication

There are many situations in which communication is high important even thought across the flight deck may not be relevant to pilots. Standard air communication phraseology should always be used particularly when talking to air

traffic controllers that do not have English as their natural language. Such situations would include keeping the non-flying crew members informed during normal and abnormal operations, the passengers and other, liaising with ground crew and communications with ATC units the latter being critical for flight safety.

Other factors which may affect the correct understanding of communications are:

- High workload
- Pre-conceived ideas
- Distractions and interruptions
- Fatigue

a) Modes of Communication

People are communicating often constantly, either consciously or otherwise. We might need to communicate:

- Information (air traffic controllers have instructed us to...);
- Feedback/challenger/response (checked or set);
- Ideas/proposals/counter • proposals (I disagree. What about XX instead?);
- Feelings (I'm not happy with....).

b) Verbal Communication

Verbal communication could be either social or functional/operational. Both serve a useful purpose, the former helping to built teamwork, and the latter being essential to the task of flying an aircraft. For a spoken or written message to be understood, the sender has to make sure the receiver:

- is using the same channel of communication;
- recognizes and understands his language, including any subtleties;
- is able to make sense of the message's meaning.

c) Non-verbal Communication

In air communication is used when verbal communication is impossible, for instance a thumbs-up in a noisy environment. Non-verbal communication can follow verbal communication, such as a smile during a face-to-face chat. It may represent acknowledgement or feedback (a nod of the head)..

d) Communication Problems

Communication also becomes wrong and vicious when one of the parties involved makes some kind of personal assumption. The sender of a message might assume that the receiver, do receives and understands the terms he has used. The receiver of a message may assume that the message means one thing when in fact he has misinterpreted it. Personal assumptions may be based on particular context and expectations.

3.2 Situation Awareness (SA)

Situation Awareness knows what is happening around you and what is going to happened and is fundamental to correct decision making process and action. Decision making is based on situation awareness, so if you have poor situation awareness, you are likely to make poor decisions. SA is referring to "perception of reality" and it is quite possible sometimes for different crew members to have different "perceptions of reality". The goal of SA training is to ensure that all flight crew members have a common and correct perception of the state of the aircraft and environment. This aim can be reached by good team working and communication..

The main theory of SA is that of cognitive psychology, in particular, attention, perception, memory, information processing, and decision making.

a) Definition

"The perception of the elements in the environment within a volume of time and space, the comprehension of their meaning and the projection of their status in the near future"

b) Situation Awareness framework

Situational awareness is regarding with both to the status of the aircraft and its airborne systems and to the geographical position in space of the aircraft. Careful monitoring of the aircraft systems together with a good technical knowledge will help the pilot maintain situational awareness and to stay ahead of the aircraft. This, combined with good workload management, will increase spare capacity and allow better anticipation of potential problems.

The crew needs not only to be aware of the present state of the aircraft systems and environment, but must also be able to predict future states in order to anticipate future events.

A mental picture of the aircraft's position should be maintained at all times. Geographical position and safety altitude should be constantly monitored and crosschecked using all available aids. Environmental influences such as bad weather should also be anticipated and a plan of action formulated in case the planned flight path, destination etc. has to be changed.

3.3 Assessment

Assessment is the process of observing, recording, interpreting and assessing, where appropriate, crew performance and knowledge against a required standard in the context of overall performance. It includes the concept of self-critique and feedback which can be given continuously during training, or in summary following a check.

This assessment is in accordance with a methodology acceptable to the CAA and the purpose is to:

- a) provide feedback to the crew collectively and individually and serve to identify retraining where necessary;
- b) be used to improve the CRM training system

For individual CRM skills assessment, the following methodology is considered appropriate:

- An operator should establish the CRM training programme including an agreed terminology. This should be evaluated with regards to methods, length of training, depth of subjects and effectiveness.
- A training and standardisation programme for training personnel should be established.
- The methodology for assessing, recording and feeding back has been agreed and validated.
- The CRM standards to be used (e.g. NOTECHS) have been agreed by crews, operators and regulators, and reflect best practice.
- Instructors and examiners are qualified to standards agreed by all parties, and are required to demonstrate their competency to the CAA or such persons as the CAA may nominate.
- The standards are clear, briefed, and published (in the Operations Manual).
- Training courses are provided to ensure that crews can achieve the agreed standards.
- Procedures are in place for individuals who do not achieve the agreed standards to have access to additional training, and independent appeal.

3.4 Assertiveness

There are two aspects of assertiveness that we'll touch on here – between the members of the crew (a CRM aspect) and when fulfilling your role as the final authority and decision maker.

From your point of view as the Captain in the realm of Crew Assertiveness there are two sides; your assertion of the authority invested in you as the Captain of the flight and Leader of your team, and the assertion of your crew members and followers, which may result from your (usually unintentional) deficiencies.

As the Captain you **WILL** make mistakes, errors of judgment, poor decisions or take inappropriate courses of action throughout your career in the Left Hand Seat. A good Captain will openly admit their mistake, but more importantly, generate an open team atmosphere to enable their followers to point out the error or mistake.

Pilots generally know when to speak up and to back up and support the Captain in decision making. A very authoritative Captain may tend to stifle crew assertiveness and a very passive Captain may cause excessively assertive behavior on the part of the crew. A good balance is ideally attained by the Captain being authoritative enough to command the flight effectively, yet seeking inputs from the other crew members.

3.5 Decision Making

No two situations are exactly the same and it is important to recognize that the decision making process is driven by the pilot's situation assessment.

Risk assessment and option selection refers to the ability of a crew member to successfully assess risks and benefits of different responses to a problem, and to select the best response. Both should be accomplished through discussion with other crew members.

Decision making is the process of reaching a judgment or choosing an option. Problem definition and diagnosis is the ability to collect the information needed to define a problem and its causal factor.

Option generation refers to the ability of a crew member to generate multiple responses to a problem. There are a number of guides which are designed to assist the decision making process for multi-pilot crews:

- Assessing the situation and gathering data;
- Considering options;

- Deciding on the “best” option;
- Communicating your intentions;
- Carrying out the actions;
- Checking/reviewing the situation;
- Adapting to new information or changing situations.

In the SPA case there is usually no one to help gather the information and cross check actions. Also, facing an abnormal or emergency situation alone can be a frightening and traumatic experience. A natural reaction can be one of shock (surprise) or disbelief, which is called startle reflex. This is a completely normal and instantaneous phenomenon as the brain can absorb information about an emotionally significant event (such as fear) before we are consciously aware of it. This initial startle reflex can provoke a desire to try to resolve the situation quickly - perhaps leading to incorrect actions being taken.

A decision Making Model

Detect- Detect that a change has occurred

Estimate- Estimate the need for action to adapt to the change

Choose- Choose the most desirable outcome.

Identify- Identification of actions which will successfully control the change

Do- Carry out the chosen actions

Evaluate- Evaluate the effect of the actions

4. Conclusions

Crew Resource Management (CRM) training is focused on improving safety of air operations by managing the system which makes optimum use of all available people, procedures, and equipment. As long as the main cause of the majority of accidents was human error, the primary problems were lacks of communication among crew embers, leadership, and decision making process in flight deck. CRM training activity hold a vary elements of teamwork, interpersonal skills, attitudes, communications, situational awareness, decision-making.

CRM training activity for crew members has been implemented by aviation organizations even major airlines companies and military aviation around the world.

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Specific Considerations on Leadership

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Contents

Introduction

1. The concept and the essence of leadership
2. The difference between a leader and a manager
3. Current models of leadership

The concept of charismatic leadership

The concept of transforming leadership

4. Leadership manager, image manager
5. The head of the control system
 - 5.1. Personal power manager, as a factor in his success in the control system
 - 5.2. Personality traits of leadership
 - 5.3. Managerial characteristics of the head
 - 5.4. The balance of working time manager
 - 5.5. Evaluating the effectiveness of the head
6. Leadership styles
7. Memo leader

Conclusions

Introduction

To effectively carry out the functions of planning, organizing, motivating and monitoring requires effective leadership.

Management - the process of social organization and management of the group members. Manage human activities - means to influence them, prompting work to achieve organizational goals.

Influence - the behavior of one person who changes the behavior of another. Influence other people is possible through the request, wish, threat, intimidation, order, opinion, idea, etc. Case appears to influence, if one person is in a certain dependence on the other. These dependency relationships are defined as power relations. The head has the ability to influence others because he has the power. But the manager must be able to influence their subordinates effectively manage them to perform their assigned tasks. The implementation of this ability is leadership. Leader of effectively carry out formal and informal leadership. Leadership - the ability to influence individuals, groups, directing their efforts to achieve the objectives of the organization.

Purpose - this is the end result.

Informal groups and organizations are headed by leaders (informal), which in contrast to the formal is not appointed and gaining recognition of employees. The formal leader operates within the authority delegated to him. Actions are determined by an informal leader

Interest group or organization and may go beyond the formal relationship.

Leadership (or leadership) in the formal organization is the entity that is endowed with certain powers.

Power is defined as the ability to influence the behavior of others.

The concept of "power" is the concept of authority. This is the amount of rights available to the manager in making decisions on financial, human, material and technical matters without the consent of senior management.

The leader of the largely determines the success of the organization, the dynamics of the firm. Depend on it the motivation of employees, their attitude toward work, relationships and much more. Thus, this area of management is of paramount importance in the management and, in my opinion, is required and is useful for the study.

1. The concept and the essence of leadership

In determining what effective leadership is, it is important to distinguish between a leader, leadership, and conduct. The position of leader is a role in a particular system. The man who plays the formal role of a leader can possess, or may not have the leadership skills and ability to lead. Leadership has a direct relation to personal skills, abilities and influence. Often, the leadership may be owned by a person who is not a formal leader. Maintenance - is the result of a combination of the respective roles and the ability to lead, that is, the ability to somehow influence other people.

In the broadest sense, leadership can be defined as the ability to influence others towards a certain goal. Thus, the leader is an employee or group of employees to a particular purpose. In the business world and leadership in organizations is often contrasted with management. Management is usually defined as "the ability to perform the task through other people." Leadership is defined as "the ability to make other people want to perform the task." Thus, leadership is closely linked with the creation of motivating and influencing others.

We can say that the leader - a person who is committed to "create a world to which people want to belong."

Much of the confusion which has arisen in the study of leadership has occurred because there are three fundamentally different types of leadership: macro-and micro leadership.

In macro leadership role in creating a successful organization is realized in two ways: by finding ways and the creation of culture. Finding a way can be briefly defined as finding the road to a successful future. Creating a culture can be regarded as an association of people in an organization with a goal, that is, one that is capable of moving on track and make full use of available opportunities. Macro leadership is impact on the people by integrating them into the community, regardless of whether it is an entire organization, division, department or group. The leader influences people, giving a subordinate to answer the following questions: What is the organization as a whole? Where is it my place? How do I evaluate? What is expected of me? Why should I be loyal to her? In this process, the leader creates a loyal member of the organization.

In contrast to the above micro leadership focuses on the choice of such a leadership style that allows you to create an effective working environment for employees and to develop the desire to cooperate in the performance by choosing an appropriate style

on both axes: task and relationship. The choice of leadership style depends on the specific subjects and the work (tasks) that must be performed. It is, therefore, depends on the situation and conditions. The leader directs people in the organization to perform a specific job or task. If you select the right style of leadership, people do their work willingly and in a businesslike atmosphere.

"Creating a world in which people wants to belong," requires a certain extent, all three different types of leadership skills.

In theory, there is not a management approach to leadership (management):

- **The approach from the standpoint of personal qualities.** According to the theory of personal leadership, the best managers have a certain set of common for all personal qualities. Developing this idea, one could argue that if these qualities could be identified, people could learn how to bring them in themselves and thus to become effective leaders. Some of the studied traits - is the level of intellect and knowledge, impressive appearance, honesty, common sense, initiative, social and economic education and a high degree of confidence. However, the study of personal qualities continues to give conflicting results. Leaders tend to differ in intelligence, the desire for knowledge, reliability, responsibility, activity, social participation and socio-economic status. But in many situations effective leaders found different personality traits. The scientists concluded that "man does not become a director only because it has a certain set of personal characteristics."

- **A behavioral approach.** The behavioral approach has provided the basis for the classification of leadership styles, or styles of behavior. This was a serious contribution and a useful tool for understanding the complexities of leadership. This approach to the study of leadership focused on the behavior of the leader. According to the behavioral approach, efficiency is not determined by the personal leadership qualities, but rather his demeanor towards his subordinates.

- **The situational approach.** Neither approach is in terms of personal characteristics nor is behavioral approach is not able to identify the logical relationship between personal qualities or behavior of the head with one hand and efficiency on the other. This does not mean that the personal qualities and behavior do not matter for management. On the contrary, they are essential components of success. However, more recent studies have shown that the effectiveness of leadership can play a

crucial role of additional factors. These situational factors include the needs and personal characteristics of subordinates, the nature of the job requirements and the impact of the environment, as well as information available to the head.

2. The difference between a leader and a manager

Manager should possess leadership qualities, and the leader does not always possess the qualities of a manager.

Manager	Leader
Administrator	Innovator
Requests	Inspires
Works for other purposes	Works on your goals
The basis of the action plan	Vision
Relies on a system	Relies on people
Uses arguments, facts	Uses emotions
Controls	Trusts
Supports The Movement	Gives impetus to the movement
Professional	Enthusiast
decision-making	Turns solutions into reality
Does it correctly	Does the right thing
Must respect the	Must adore

3. Current models of leadership

The concept attributes of leadership.

This concept is based on the theory of attribution to explain the causal link between what happened and what people believe caused the incident. Attribution approach to leadership based on the fact that the findings of a leader in equal measure, as well as the behavior of his subordinates, caused by a reaction leading to the behavior of the latter. Observing the work of subordinates, the leader receives information about how it runs. Depending on this, he draws his conclusions about the behavior of each of the employees and selects the style of his behavior so as to adequately respond to the behavior of a subordinate. For example, if the leader ascribes the bad results of a slave of his laziness, then for this may be followed by a reprimand. If the leader

believes that the fault is external to the subordinate factors, such as dramatically increased workload, the leader will try to solve the problem differently.

The approach assumes that knowledge of the causes that created the situation that enhances the understanding of the Leadership and the ability to predict people's reactions to the situation. The concepts and models developed on this basis; attempt to answer the question of why people behave as they do. This takes into account the fact that in most cases the leader is unable to directly observe the work of subordinates.

Under this approach, the leader of the main processor does the job information. He is searching for information tips to help him answer the question why - this or that happens. Obtained in this way an explanation of why send it to leadership behaviors. Determining the causes of the behavior of a subordinate leader is based on three components: the individual, the work itself, the organizational environment or circumstances.

In the search for the causes of the leader is trying to get three different kinds of information about the behavior of a subordinate, the degree of differences, the sequence and the degree of uniqueness. The first is the head due to the desire to understand the relationship between behavior and work from the standpoint of how this behavior can be attributed to the distinctive features of the job. Second, a leader interested in the extent to which a subordinate in a consistent manifestation of this behavior, or how often such behavior he manifests. And finally, the leader takes into account how other subordinates behave the same way. That is, whether or not the behavior of a unique characteristic of a slave, or gets a lot.

In the above-described process for determining the causes of the incident affect the leader attribute controls or interference, distorting his perception, and forcing the leader to be inconsistent in their behavior. The more the behavior of a subordinate leader is seen as the result of his personal characteristics "internal reasons", the more the leader holds the responsibility for the results of a slave. In this case, the individual personality traits are subordinate attributive interference.

Studies show that managers tend to attribute the success of women in the work of external reasons and internal failures. This model is attributable leadership is quite different from traditional models that are overly descriptive and, most importantly, do not respond to the question why.

In this model there are two important ligaments. The first band reflects the desire of the leader to determine the causes of poor performance. This search is governed by

three types of information about the behavior of the slave: the distinctive features of the sequence and the degree of uniqueness. The second bunch of the response reflects leadership behaviors, which is a consequence of the fact that, according to the leader, is the cause of poor performance. The relationship between the established leader of the reasons for the work and its subsequent behavior is determined by those who, in the opinion of the leader should take responsibility for what happened. If a leader believes that the reasons are internal, then the responsibility, in his opinion, should, be subordinate to it, and appropriate measures are taken.

Studies have shown that in this model is like no effect on the behavior of the leader of a slave, and the interaction between the leader and subordinates, i.e., a subordinate of his reaction to the head of the measures has an impact on its subsequent behavior.

The concept of charismatic leadership

There are two opposing positions forming the image of the leader. One denies any influence at all on the leader of organizational effectiveness, and another - leads to the charisma and leadership of subordinates attempt to ascribe almost magical leader, and in some cases and divine qualities.

Charisma is a form of influence on others by means of personal appeal, calling the support and recognition of leadership that provides the holder of charisma authority over subordinates. As a source of leadership power of charisma refers to the power of example, related to the ability to influence the subordinate leader by virtue of their personal qualities and leadership style. Charisma gives benefits manager effectively exert its influence on subordinates. Many people believe that getting a charismatic leader is associated with the ability, to find their admirers and fans, and even change their structure depending on the situation. Others define charisma as a set of specific leadership qualities. The latter formed the basis of the concept discussed below charismatic leadership, which is essentially a continuation of the attributive concept of leadership and being built on a combination of qualities and behaviors of the leader. Charismatic leader is a person who by virtue of their personality traits can have a profound impact on subordinates. Leaders of this type have a high need for power have a strong need for action and belief in the moral rightness of what they believe.

The need for the authorities effort motivation them to become leaders. They believe in rightness of his passes for people, feeling that he can be a leader. These qualities develop such traits of charismatic behavior.

Modeling the role, image creation, simplification purposes, "the focus simple and dramatic nature of the goal," the emphasis on high expectations, a manifestation of confidence in subordinates, the momentum for action.

Studies have shown that charisma is a negative side connected to the usurpation of personal power or a full focus on the leader himself, and positive - related to the emphasis on shared power and a tendency to delegate part of its subordinates. This helps to explain the difference between leaders such as Hitler, Lenin, Stalin, and such as mild, Martin Luther. In general, the charismatic leader is credited with the presence of self-confidence, high sensitivity to the external environment, a vision problem solving, the ability to bring this vision to a level understood by subordinates and encourage them to act; extraordinary behavior in the realization of his vision.

Model of charismatic leadership are different stages of development of the most charismatic and relationships with subordinates. It is believed that you must first develop a sensitivity to detect problems which could be lashed. You then need to develop a vision of idealized solutions to this problem. In the vision should be included something new, previously or who are not offered and concerning which it seems that it can immediately advance a solution.

Study of the practice of business organizations has shown that in a normal situation, charismatic leadership is not always required to achieve good results in business. Most often it is suited to those cases where subordinates strongly idealize their desires and ways of their implementation. This largely explains the more frequent presence of a charismatic leader, which manifests themselves in politics, religion, and warfare. For business the importance of charismatic leadership increases as the need for radical changes in the organization in connection with the criticality of the situation. However, in these circumstances, there is a different concept of leadership: the concept of leader-leader of the converter or a reformer.

The concept of transforming leadership

The concept of transforming leadership and the reform has much in common with charismatic leadership, but is treated substantially. The leader of the reformist motivates subordinates by increasing their level of consciousness in the perception of

the importance and value of the goal, giving them the opportunity to combine their personal interests with the common goal of creating an atmosphere of trust and belief in the need to subordinate self-development. The leader of the reformer - a transmitter, not a savior, he has shown creativity and not magic, the reality behind it, not the myths, he is subordinate to the results of the outcome, not the promise of a promise, directs people to work, but not dividends, its purpose is not to change the world, and change the world through the development.

The model converts or reformist leadership requires a leader and his subordinates have certain behaviors fit, according to the developers of the model for a creative solution to the crisis.

The model has some distinctive moments. First, it recognizes the need for a leader to influence subordinates through the attraction of their participation in governance, to be one part of the organization, not "stand on it," enthusiastically support the joint efforts. From subordinates need not blindly follow the leader and a critical assessment of opportunities and well-considered approach to its operations, reducing the influence of emotions and increase the value and rationality in their behavior. Second, since the atmosphere of trust develops a strong correlation between the leader and subordinates, there is a serious risk that the director has surrounded himself with the compromisers, or vice versa, the head goes in the wake of his subordinates. These two traditional approaches are not suitable for the leader-converter.

4. Leadership manager, image manager

The term is widely interpreted by the manager, and any of its definition is not complete. With some degree of approximation we can say that the manager - a person who is a system of current and future planning, forecasting, and the orientation of production, sales and services for profit. In another expression, the manager is the person planning the organization, motivation and control of production to achieve the objectives as quickly as possible.

Consequently, the manager must possess certain qualities, manners, ability to skillfully manage the workforce, the best use of each of the creative abilities of employees, thus providing a flexible response to customer requirements. All this is treated the notion of an image manager.

A manager should be a leader worthy of emulation. The main task of the manager is doing business with the help of others to achieve collaboration. It means cooperation, not intimidation. Good manager always care about the interests of the whole company. It seeks to balance the interest groups whose interests the boss and other managers need to do the job with the need to find time for training, industrial interests with human needs of subordinates.

You can not designate the leadership of some formula. It is an art, skill, ability and talent. Some people have it naturally. Others are studying it. And still others will never comprehend.

In the end, everyone finds their own style. Some are dynamic, charming and able to inspire other personal. Some quiet, reserved in speech and behavior. However, they both can act with equal efficiency - to inspire the confidence and ensure that the work was done quickly and efficiently. Some common characteristics are useful in different styles of managers. Manager put his firm and he belittles his company in the eyes of employees and does not demean their employees in the eyes of the firm's management.

Manager must be an optimist. Optimist always prefers to listen to others and their ideas, because he was always waiting for good news. A pessimist is listening as little as possible because waiting for bad news. An optimist thinks that people are primarily ready to help, have a creative principle, and seek to create. The pessimist believes that they are lazy, stubborn, and their little good. Interestingly, both approaches are usually correct.

Top managers care about their employees. They are interested in what others are doing. A good manager is accessible and not hidden behind the door of the cabinet. The best managers are human, they are aware of their own weaknesses, which makes them more tolerant of the weaknesses of others.

A good manager must be brave. He always tries to find a new way to perform the task just because it is a better way. But he never makes it unreasonable. If he would allow someone to experiment and he fails, he will not lay the blame on him and not lose faith in him.

Best Manager has a breadth of views. He never says, "It's not my business." If he expects the team actively turns to the work when there are any unusual situations, you need to show them that he is ready to take on new business, when he was asked. Manager takes a keen interest in all aspects of the company. A manager should be determined. Where have all the necessary information, the correct solution

on the surface. It is more difficult when you know not all of the original data, and the decision will still be taken.

Requires real courage to make a decision and be aware at the same time, it may be erroneous.

A manager should be ambitious. He is happy not only for themselves but also for the achievements of staff and shares their success. Thus, it inspires others with his enthusiasm and energy.

A manager should be consistent and conservative. He does not need the adulation of others besides he does not have to hide their mistakes. A manager should be a mentor. He helps his staff to develop the confidence, love for people, ambition, enthusiasm, integrity, poise and determination.

Manager should always be confident. Self-confidence without arrogance, a belief in their strength without arrogance, a belief in their strength without arrogance - hallmarks of a strong manager.

According to foreign experts, the behavior of the manager to be different: some aggressiveness, persistence, willingness to accept and transfer of information, rationality, group work, humor, the desire to establish contact, self-control, confidence in the manner of behavior, positive attitude toward competition, but the natural orientation toward achievement of goals.

Thus, among the most important skills a manager include: the ability to implement, delegate authority and responsibility. Ability to organize and motivate team work, setting priorities, self-knowledge and self-belief, analytical thinking, to recognize the most significant factors, system, process, and the formation of information, develop programs, identify trends, distribution of effort and time.

5. The head of the control system

5.1. Personal power manager, as a factor in his success in the control system.

Today, the company grew so much that one-man management has become almost impossible. In addition, managers have been added and a lot of external functions, including interaction with partners, trade unions, government and political leaders. Each area is engaged in self-managing, so that the head of the corporation became

a manager and organizer, whose primary duty - to coordinate the activities of managers.

In fulfilling this responsibility, the modern manager serves several roles:

- A manager in authority, managing a large team of people;
- A leader who can lead their subordinates, using his authority, professionalism, positive emotions;
- A diplomat, establishing contacts with partners and public authorities and successfully overcoming internal and external conflicts;
- A teacher who has high moral character, able to create a team and guide its development in the right direction;
- It is an innovator who understands the role of science in modern conditions, able to evaluate and implement without delay the production of a particular invention or rationalization proposal;
- it is simply a person with good knowledge and abilities, level of culture, honesty, determination, character, and at the same time, the discernment that can be in all respects a model for others.

In the process control manager performs a number of specific features, including: organizing and planning team and their own work, assignments and instructing subordinates control over them, preparation and reading the reports, inspection and evaluation of results; acquainted with all the novelties in the world of technology and technology, promotion and consideration of new ideas and suggestions, issues beyond the competence of subordinates; familiarity with the current correspondence, responses to calls and receiving visitors, conducting meetings and representation, filling out forms, statements, negotiations, training.

All these works are characterized by: high diversity of forms themselves of these actions and the location, extensive contacts and communications within and outside the firm, a rapid succession of events, people and actions.

The leader of the great feels and understandings the psychological characteristics of partners, opponents, skillfully uses them in the formal and informal contacts. By persuading others, it manifests an enviable flexibility and ability to compromise.

To realize all these people need it, first of all, you need a personal desire to occupy a high position, which is by no means all, and therefore the willingness to take on responsibilities associated with it, responsibility and risk. It is believed that a successful leader has an almost magical ability to appear at the right time in the right place. This property does not drop from the sky, though in a sense, it, like the talent

is not peculiar to many. But talent without effort - nothing, so the leader must constantly and persistently push forward no matter what obstacles, persistently moving toward his own goal.

A manager should be in all matters of principle, be able to withstand the pressure as the "top" and "bottom", consistently and firmly stand my ground, not to conceal their views and defend until the end of the values that he professes, and help to take these values to others through personal example, and not moralizing, firmly hold the promise.

Managerial decision-making requires that managers not only qualifications, but also emotional maturity, which is expressed in the ability and willingness to meet acute situations, cope with them, do not experience the tragedy of the lesions on the inevitable path of life of any manager.

The modern manager must actively deal with their own shortcomings as a host to a positive attitude towards life and work, to create a "healthy" environment through the promotion and training of people, the disclosure of their abilities and talents, it does not need to be afraid of losing credibility - in most cases for such employees attitude towards them, on the contrary, paying recognition and gratitude.

Manager must be inherent in the discipline and control. Without it, he can not call to order any other, or to control their activities. Therefore, the manager must control their emotions and moods, explore emotions of others to reach out to their behavior, discipline and control their subordinates.

A good leader must be able to ensure the involvement of employees to work. To do this properly to encourage people to convert any, even the most boring job in an exciting game, looking for innovative approaches and unknown faces in addressing the problem, flavor their actions a certain degree of adventure for greater appeal.

We must bear in mind that does not exist and never will be a manager, having universal skills and equally effective force in any situation.

5.2. Personality traits of leadership

The modern manager must be an expert, an excellent knowledge of all aspects of the managed object, possess the ability to make decisions and be able to foresee the economic, social, psychological and organizational implications of the decisions taken.

The manager must constantly improve the work style and methods. Efficient use of labor potential of the head is possible only if:

- Team building;
- education in itself such individual psychological characteristics that would interact with the structure and role-playing ideas, as well as take into account the social and physiological features of men and women to conduct business responsibly, honestly;
- an objective assessment of subordinates, the ability to see the best features, support, and develop them, eliminate weaknesses, to understand people, understand the complexity of each character, using quality people for the good of the team and improve performance;
- creating the conditions for the best social psychological climate;
- The ability to navigate in difficult circumstances;
- caring for the team and each employee.

Labor potential leader is a conditional body of knowledge, skills, habits, talents, abilities that lead to the success of its activities under fixed external conditions.

Leader in the implementation of practical work must have the following qualities:

- An excerpt;
- Politeness;
- Tact;
- Modesty;
- Intolerance of flattery;
- Sensitivity;
- Self-criticism;
- Self-discipline;
- Equal treatment of all.

5.3. Managerial characteristics of the head

The content of the modern manager depends on multiple factors:

- Information in a rapidly throughout life, plays a major part of computer engineering and technology;

- The development of international cultural and economic ties, the integrative processes that integrate the world economy into a gigantic complex, requires a good knowledge of foreign languages;
- The modern manager must be a deep knowledge of macro-and micro-economic processes, coupled with knowledge of the culture, politics, customs and religions.
- The concept of professional culture manager organically includes the fundamental knowledge in the field of psychology, philosophy, ethics and other disciplines that form as a universal communication and dialogue at the level of individuals

5.4. The balance of working time manager

One of the primary tasks of every manager - learn how to plan your day, to develop the ability to follow to plan, to save time.

Tips leader that save time:

- Demand from himself and his subordinates and accurate statement of the specific issue on the merits;
- Know how to listen;
- pre-compose the daily routine;
- Never be put off until tomorrow what you can do today, even if the work you do not like;
- set the aim to fulfill all of your work conceived in a strictly intentional terms;
- Do not lose sight of the little things;
- proceed with the case immediately, if you know what to do;
- appreciate the time and his and others;
- Do not tie conversations in telephone;
- learn to say no if you do not learn this, you will find yourself involved in such things that you never would deal with on their own.

5.5. Evaluating the effectiveness of the head

The task of evaluation managers and specialists on the results of work consists of:

- To identify the employee's compliance office;

- The definition of labor input in terms of collective wage to link the overall performance of the employee and the level of his salary;
- To deliver improved returns from individual employees of their clear focus on the final result;
- In conjunction with the activities of professionals and managers to the main purpose of the department, company or firm.

In evaluating the performance of managers there are many problems:

- How to assess the outcome of proceedings;
- How to assess the contribution of management functions in these results;
- How to estimate the proportion of a particular employee in this contribution.

The labor leader is evaluated primarily on the results of the subordinate units.

Indicators of this assessment:

- Implementation of a planned target volume and critical range;
- Labor productivity;
- Quality of products.

Potential constraints that may arise:

- Inability to govern themselves;
- blurred personal values;
- Fuzzy personal goals;
- Stop the self-development;
- Lack of skill to solve the problem;
- Lack of creativity;
- Inability to influence people;
- Lack of understanding of the managerial work;
- Weak management skills;
- An inability to teach;
- Low capacity to form a team.

6. Leadership styles

The authoritarian style is characterized by the fact that the manager in decision-making has always focused on their own objectives, criteria and interests, hardly consults with the workforce, limited to a narrow circle of like-minded people. In carrying out decisions take rigid positions, actively using the methods of administrative and psychological impact on people. The opposition will not accept,

can dismiss unwanted employees. Always believe in a personal right, based on their knowledge and skills, a large private equity and extensive external contacts in government and business environment. This refers to the head of his staff extremely suspicious. Most often, he expresses his attitude to subordinates as follows:

- Each person on the nature of inherent unwillingness to work, and on this he tries to avoid the costs of labor, where possible.
- Ambition is inherent to so many people try to avoid direct responsibility, prefer to be led.
- In addition to the above, everyone is trying to secure the complete safety.
- To make every member of staff to work towards a common goal, it is absolutely necessary to use different measures of coercion, control, and also reminded of the possibility of punishment.

The head of this type can lead your company to great success, but also to a complete collapse ("sole owner").

The democratic style is based on a combination of the principle of unity of command and public authorities. The head of this type are usually elected at the meeting of the personnel or the owners and must represent the interests of the majority. As a rule, it can successfully identify, adopt and implement the strategic goals of the enterprise, combining group interests. This is a good "politician", "the diplomat", "strategist" and "sly fox" options are calculated on a lot of steps forward, combining the techniques of persuasion and coercion. This is a friendly and open person, as a rule, unyielding temptation: money, women and power, as they are extremely irritating to the envious and contribute to the growth of opposition. In his work continually relies on a group of like-minded in the face of management, the board, the presidium of the Council.

The liberal style is that the manager in decision-making is guided by the purposes and interests of individual groups of the labor collective, constantly trying to maneuver in order to comply with the parity of interests often take different positions of the parties, "pushes" them to each other, trying to be a "good boss" but sometimes, unwittingly, becomes a puppet in the hands of subordinates who actually run the company. The advantage of the liberal style is a group decision-making, but often the head of a liberal does not have a strong will, clear goals, profound knowledge, too keen hobby or family. This is a fairly unstable leadership style.

Mixed style includes a combination of the above types. The liberal, authoritarian and democratic style may prevail in this or that leader, but never reach the absolute, just as in nature there are no pure choleric, phlegmatic, sanguine and melancholic temperaments, and the above are always manifested in humans in a certain ratio with a predominance of one of them.

Do not be a very authoritarian leader because you need to listen to their subordinates, their point of view.

7. Memo leader

- Put the task team, to present it with enthusiasm and constantly reminded of it.
- Plan the work, determine the speed of its implementation and develop responsibilities to ensure the dedication of individuals and groups.
- After consultation set specific goals for each employee on a regular basis - at least once a year - to discuss with each of his successes.
- Delegate decision-making, consulting with people.
- Express appreciation of the value of each team member, to explain their solutions to help people to implement them; a monthly report on the state of affairs and politics.
- Train and develop people, to maintain the established rules and procedures to set an example for those who violate them.
- Where the association and the holidays are planned to encourage them, to attend meetings and talk about people's beliefs - in the interest of the task, team and individual.
- To care for the welfare of team members, improve working conditions, to respond to complaints and attention functions.
- Never forget that your opinion is not always good, there are other opinions, by no means the worst.
- Monitor the work process; to learn from successes and mistakes, to bypass jobs on a regular basis, to observe, listen, praise.
- You must develop the habit of all, what you encounter, viewed from the perspective of your good deeds.
- To carry out the promises on time. If you could not do - no excuses, and define a new term and keep the word, even if belatedly.
- Be careful and objective to "useless" suggestions.
- Reject unnecessary sentences, but tactfully and courteously.

- Being confident in yourself, to avoid being self-confident, self-confidence - the premise is not the best use techniques and methods of work.
- To effectively subordinate, you should be able to obey, even though the circumstances.
- To educate subordinates gently but surely, to encourage them to productive work and initiative.
- guided the work of the three "no": do not get annoyed, do not get lost, not sprayed.
- Be tolerant of the weaknesses of people, if these defects do not interfere with your work.
- Praise is not on the people, to encourage face to face.
- Be able to listen, to have infinite patience.
- Provide employees with a maximum of freedom to achieve the objectives of the enterprise.

Conclusion

After selecting and analyzing leadership in management, I have studied the effect of personal qualities of a leader on the success of his work, and, consequently, the success of the organization. A leader can improve the efficiency of his subordinates, without resorting to conventional measures, and using their leadership skills and abilities. I have also studied the effect of leadership styles on the behavior of subordinates, it is better to work with sociable, attractive, and not an authoritarian leader with whom you can share your thoughts and ideas.

In practice I have found that a leader can not apply their qualities and skills without the ability to influence people, it is important to determine the level of influence on others. Also, there is not importance in the work and the risk of a leader. The degree of risk at all different, and differently affect the results.

I like to study this topic, it is very interesting in our time has become urgent when grown up like mushrooms after rain. The company faced the problem of effective leadership. Only skills and leadership qualities can help a manager to work more effectively with subordinates.

THE IMPORTANCE OF THE LIFE CYCLE COST IN MILITARY ACQUISITIONS

LTC Phd. eng. Constantin Alexandru CARAVAN

CONTENTS

INTRODUCTION

1. WHY USE LIFE CYCLE COST?
 - 1.1. WHY LIFE CYCLE COST SHOW UP?
 - 1.2. WHY NATO NEED FOR IMPROVEMENT?
 - 1.3. WHY DO LIFE CYCLE COSTING IN NATO?
2. WHO CAN PROFIT FROM LIFE CYCLE COSTING?
 - 2.1. OVERALL APPROACH
 - 2.2. NATO PERCEPTION
3. WHERE SHOULD NATO LIFE CYCLE COST GO?
 - 3.1. WHAT SHOULD BE NATO OBJECTIVES
 - 3.2. WHAT ARE THE BENEFITS OF LIFE CYCLE TO NATO?

CONCLUSIONS

REFERENCES

THE IMPORTANCE OF THE LIFE CYCLE COST IN MILITARY ACQUISITIONS

INTRODUCTION

The lessons learned concept proves that modern conflict should have a heaviest technological background and when this type of superiority is achieved, only time establish the end of warfare. An intelligent approach of military acquisitions became the main advantage to the nation that possesses it. Consequently, transformation of the armed forces and purchasing innovative weapon systems it was and remain a primary aim in many nations' defense planning strategies.[1]

Also, the defense budgets of the NATO nations have been exposed to reducing throughout the last decade, consequently generating an urge for a most proficient use of tax payers' money. Moreover the rapid proliferation and high obsolescence rates of technology confuse more the requirements for the systems acquisition process. The armament systems acquisition process should be capable to integrate the latest technologies into new (and old also) system solutions, it should provide the best rate between price and technical abilities, and it also should realize an optimum related to limited defense resources. One of the preconditions for that kind of procurement process is to implement a lifecycle oriented approach in terms of cost (with its entire component), supportability, and operational availability.

Most states have settled and use their individual methods, definitions and tools, which may cause complications when it derives to functioning together at multinational level.

Unfortunately, acquisition costs are largely used as the principal criterion (and sometimes the only one) for selection of a component or system. This single principle is easy to use, but often leads to bad managerial and financial decisions. An acquisition cost, if they use only, shows only one aspect of the problem, the result can lead to demolition of a project financing scheme.

¹ Numan Yoner ” *Major Weapon Systems Acquisition And Life Cycle Cost Estimation: A Case Study*”, Naval Postgraduate School, Monterey, California, June 2001.

Whatever the phase of a program, use of life cycle cost should offer to managers a method which can provide information for future expenditure, for managing current budgets and took the best decisions on options presented to them. Almost of the main costs determining decisions are made throughout the initial phases of the Program Management. In this initial decision period, the type of system technology acquired, the undeveloped design, the sustenance system and the maintenance concept are determined. For this reason, it is essential that comprehensive and precise assessments of predicted costs must be made as early as possible. [2]

1. WHY USE LIFE CYCLE COST?

1.1. WHY LIFE CYCLE COST SHOW UP?

The history of Life Cycle Cost starts in 1960's when the US Department of Defense start to evaluate the long-term cost inference of products when making purchasing decisions. In spite of the long history and latent usefulness of Life Cycle Cost, its use has been quite limited at the practical level. Challenges in weighing future costs and dealing with uncertainties regarding diverse issues affecting life cycle costs may have constrained its use.[3]

Life Cycle Cost change bucolic viewpoints for business subjects with stress on enhancing economic affordability by working for the lowest long term cost of ownership.

Management should deal with many apparently conflicts generate by permanent competition between:

1. **Project Engineering** - which requests to diminish capital costs ;
2. **Maintenance Engineering** - which requests to diminish repair hours (and indirectly the cost);
3. **Production** - which requests to maximize uptime hours;
4. **Reliability Engineering** - which claim that avoiding failures it's the only way to diminish cost;

² Maj. Altan Özkil "The Use of Life Cycle Cost and Nature of Decisions" (MS in OR) RTO MEETING PROCEEDINGS 96 *Papers presented at the RTO Studies, Analysis and Simulation Panel (SAS) Symposium held in Paris, France, 24-25 October 2001.*

³ Woodward, D. G. "Life cycle costing-theory, information acquisition and application." International Journal of Project Management **15** (6): 335–344. (1997).

5. **Accounting** which wants to maximize project net current value;
6. **Shareholders** which claim that increasing stockholder wealth it's the only purpose of a project.

Life Cycle Cost can, and should be, a powerful tool for management decision to harmonize the endless conflicts by focusing on evidences, money, and time. [4]

NATO start to develop a more integrated, effective and purchaser - focused on logistics Process since, during the November 99 Conference of National Armaments Directors meeting, was confirmed the recommendation from NAR (the NATO Armament Review) to generate a Life Cycle Working Group (LCWG). This moment marked the "official birth" of Life Cycle Cost concept in NATO.

From NAR report AC/259-D/1792 dated 22 November 1999, we quote:

"... the concept addressed by the NATO Armaments Review covers the optimization of all aspects of a defense system's performance over its whole life cycle, including those activities relating to in-service support. In order to further elaborate this concept it would be desirable to develop both a policy and a model. A Life Cycle Working Group will develop these products and provide its report to the autumn 2000 CNAD meeting."[5]

After this official steps each NATO member should taking into account, more seriously than before, this not so new concept.

1.2.WHY NATO NEED FOR IMPROVEMENT?

The initial starting point for Life Cycle Working Group recognized that most of projects seldom encounter the necessities of all stakeholders. The main motives for this are the following [5]:

- **Poor or erroneous management:** Some of the deficiencies often encountered in defense organizations are insufficient funds at the initial procurement phases of projects. Also the length of approval processes, inflexible procedures, unproductive motivations available to external contractors and military staff, contract circumstances that frequently discourage inventive solutions, defense production's reorganization, and finally concentration on supplying short term, frequently financial, benefits.

⁴ H. Paul Barringer, P.E. Barringer & Associates Inc. Humble, Texas USA " A Life Cycle Cost Summary", International Conference of Maintenance Societies (ICOMS®-2003) <http://www.icoms.org.au>

- **Imprecise roles and responsibilities of the stakeholders:** An amount of procedures like describing the requirement for equipment, researching, handling acquisition projects and life supporting are executed distinctly within NATO/MOD and also not sufficient authority during the equipment life cycle.
- **Complications of technology insertion:** Defense equipment is becoming gradually complex and various, while the equipment life of current High Tech devices has an projected unchanging baseline of not more than 12 to 18 months for engineering and additional 36 to 48 months for sustainment.

The specialists from Life Cycle Working Group have established that almost all NATO nations have recognized the same problems as are specified above. Then they decide to joint together and taken common action to correct those evident mistakes. In this respect the Defense Capability Initiatives (DCIs) and the NATO Armaments Review (NAR) has recognized the necessity to create faster cooperative relations among all involved parties in the development and use of the Military Systems.

Those enterprises shared a constant focus on the Life Cycle Concept and consequently on Life Cycle Cost.

1.3.WHY DO LIFE CYCLE COSTING IN NATO?

The NATO ALP-10 “Guidance on Integrated Logistics Support for Multinational Equipment Projects (ILS)” establishes that all multi-national programs must implement a life cycle cost concept. A life cycle cost approximation; complete correctly, is the best metric for measuring the value for money of defense assets. [6]

This metric is beneficial in varied range of applications as follows:

- Evaluating different solutions and source selection
- Evaluating the affordability of the project
- Handling current budgets
- Developing future expenses
- Evaluating cost saving openings

⁵ Emilio Fajardo, Robert Herreman Graeme Glenister, Sergio Di Cicco Cornelis Bouman “Life Cycle Management in NATO”, RTO SAS Symposium on “Cost Structure and Life Cycle Cost (LCC) for Military Systems”, held in Paris, France, 24-25 October 2001, and published in RTO-MP-096.

⁶ ALP-10; “Guidance on Integrated Logistics Support for Multinational Equipment Projects (ILS)” – Allied Logistic Publication, June 1990.

- Evaluating financial risk
- Evaluating uncertainty.
- Refining the business courses of the organization.
- There are strong and unambiguous welfares to be added by all the stakeholders through assuming a life cycle cost analysis on the system of interest.

These include:

- Providing a better understanding of all the costs in the programs and recognizing the key cost problems for potential cost savings.
- Providing an accurate planning program and budgeting through a systematic and reliable estimating approach.
- Providing the basis for capacity of effective organizational and logistic situations and requirements.
- Providing a scale to evaluate different solutions to support the decision making process.

2. WHO CAN PROFIT FROM LIFE CYCLE COSTING?

2.1.OVERALL APPROACH

Life cycle costing is a very helpful procedure to sustain the control and management of all the compulsory and stakeholders' multi-criteria necessities in the most effective and cost-effective way. The stakeholders in the life cycle are those who have a reasonable claim to be allowed to influence necessities which defines the system in attention. These include, among others [7]:

- Those affected by the system of interest, such as clients and suppliers;
- Project managers who are interested for the system in attention to succeed;
- Managers such as defense decision makers, state administrations and standardization organizations;

⁷ Richard Burke 'Realistic Cost Estimates for Acquisition Programs:CAIG Perspectives" *RTO SAS Symposium on "Cost Structure and Life Cycle Cost (LCC) for Military Systems"*, held in Paris, France, 24-25 October 2001, and published in RTO-MP-096.

- Those implicated in the development, acquisition and support organization such as military engineers, planners and financial employees.

2.2. NATO PERCEPTION

In general, the process for approximating costs for major defense acquisition programs in the NATO is quite well established. The process includes the preparation of life cycle cost approximations for each major decision point in the lifetime of a program.

For example, the US accomplishes the acquisition of major military systems through a milestone decision process. In wide-ranging terms, the process assumes that a well-managed acquisition program progress through some separate stages. The point of transition among stages is termed a “milestone.” From the start of development through the early stages of production, the expert witness who make the decision is ordinarily delegated to the Under Secretary of Defense (Acquisition, Technology and Logistics) USD(AT&L).

Also, US DoD 5000.4-M, DoD Cost Analysis Guidance and Procedures, tries to provide standardized definitions life-cycle costs. [8]. Life-cycle cost can be demarcated as the totality of four major cost categories. Life-cycle cost consists of:

1. Research and development costs,
2. Investment costs,
3. Operating and support costs,
4. Disposal costs.

⁸ DoD 5000.4-M, DoD Cost Analysis Guidance and Procedures,

Figure 1 depicts a theoretical profile of annual program expenses by cost category over the system life cycle.

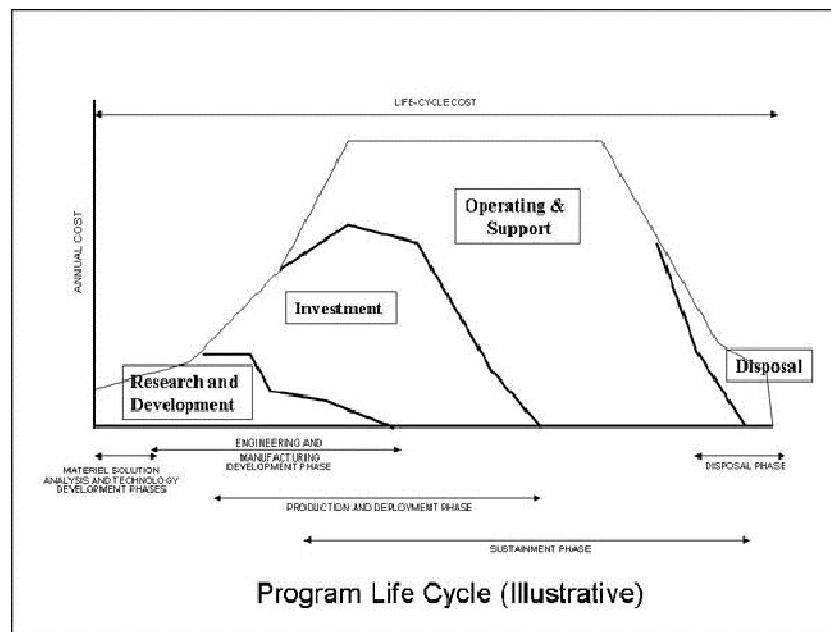


Figure 1. Illustrative Program Life Cycle [8]

NATO tried to develop a similarly, more extensive, comprehension of whole product life cycle, from planning stage and development to its final removal, which includes the following phases: material acquisition, production, packing, delivery, use, recycling, and product recall from the market, or eventually restore.

One of lifecycle definition that refers to all the successive phases of mentioned above concept is: *"The life cycle includes phases: conceptualization, development of project ideas, study engineering, process planning, manufacturing, operation, maintenance (repair) and withdrawal"*. [9]

The standard ISO 14040:2006 describes the principles and framework for life cycle concept and the general definition of the product life cycle is : life cycle is *"consecutive and interlinked stages of a system-product, from raw material acquisition or generation of natural resources to post-use"*. [10]

Other life cycle vision consists of those phases: 1) concept / vision, 2) feasibility, 3) design / development, 4) production, 5) phasing in use. [11]

In a speech-focused approach, product life cycle stages are, design, engineering, manufacturing, and service. **Figure 2** tried to display all this approaches in one picture.

⁹ Environmental Terminology and Discovery Service (ETDS)
<http://glossary.en.eea.europa.eu/terminology/sitesearch?term=LifeCycle;>

¹⁰ ISO 14040, *Environmental management- Life cycle assessment-Principles and framework*, 2006;

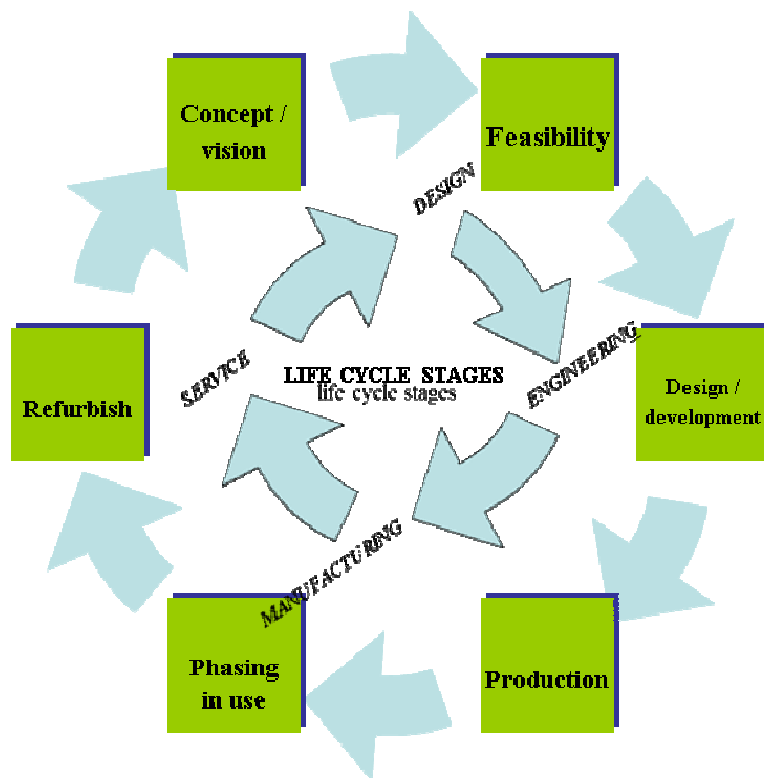


Figure 2. LIFE CYCLE STAGES

3. WHERE SHOULD NATO LIFE CYCLE COST GO?

3.1. WHAT SHOULD BE NATO OBJECTIVES

As part of any further preliminary steps towards acquaint with the concepts of Life Cycle Concepts, all NATO members should make an analysis and identify and quantify all possible benefits. In the next step NATO member will build a real case for modification, which will contribute significantly to the definition of what variations are desirable and for measuring accomplishments.[5]

The objectives which are envisages for introducing Life Cycle Concepts, in NATO should be:

- To create a life cycle partnership among all stakeholders in a project.
- To have an overall and common view on the objectives of a project.
- To generate unified life cycle management processes that spread from mission analysis to product disposal.

¹¹ CMMI® (Capability Maturity Model® Integration) CMM Integration, *Improving processes for better products* SCAMPI and IDEAL Carnegie Mellon University, 2006;

- To guarantee constant technology sustenance by emphasizing preference for commercial and non-developmental solutions to mission requirements.

3.2. WHAT ARE THE BENEFITS OF LIFE CYCLE TO NATO?

Life Cycle Cost accomplish the “- what and who is it for -” – concept which can ensure complete customer satisfaction.

The second result are that the objectives of each stage in the life cycle, will be defined contributing to the general success of the project.

Finally Life cycle cost contributing also to a well-defined Mission and Investment Analysis which consist of:

- A strong capability to identify and order requirements before they become operational problems.
- Establish a clear long-term vision of the way in which we suppose our militaries and their methods of operation to progress.
- A strong capability to ensure rigorous and neutral behavior related with alternative strategies for satisfying mission requirement.

CONCLUSIONS

I would like to close my papers with a look ahead at the path which NATO should plan to ensure that all partners continues to improve processes, analytic tools, and the human resources necessary to develop and improve realistic cost estimates for the acquisition of military systems.

First, NATO should continue to improve the tools and processes used to estimate the costs of major military systems.

Second, NATO should establish a common application of cost assessing and analysis methods to address to financial administration problems beyond the scope of the acquisition of major military systems.

Finally, NATO should continue to extend the exercise of developing realistic cost estimating to other administration agencies and international organizations.

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USING MULTICRITERIAL ANALYSIS IN SETTING UP THE OPTIMUM USE OF ARMORED VEHICLES IN MILITARY OPERATIONS

LTC Vasile CĂRUȚAȘU

CONTENTS

Introduction

- I. Using armored vehicles in military operations**
 - 1. Armored vehicle missions
 - 2. Factors influencing the operation of armored vehicle
 - 3. Trends in the evolution of military technical systems
- II. Multicriteria methods of optimization**
 - 1. Using multicriteria methods
 - 2. Modified ELECTRE method
- III. Optimal use of armored vehicles in military actions**
 - 1. Choosing models of tanks
 - 2. Description of operational requirements
 - 3. Choosing the optimum armored vehicle alternative

Conclusions

References

INTRODUCTION

The improvement of the existing weapons systems and the implementation of new systems with superior performance is a major concern for all the modern states that continuously redefine their doctrines regarding the defence system, due to the superior technical and tactical characteristics they have in carrying out military operations.

The new concepts used in military operations aimed on one hand the new capabilities offered by next-generation weapons systems, and on the other hand the experts in developing defense doctrines provide ideas that lead to achieve new weapon systems able to cover different areas within them. For example, based on the concept of future terrestrial platform (FCS-Future Combat System) there were launched antitank missile programs using new technologies in their realization.

Lately there are major concerns in the development of integrated platforms able to provide a rigorous decision making support in the military field, being developed simulation models of combat actions as essential tools in decision making at all hierarchical levels. These models allow analysis of different types of use of forces and means of struggle, and their dynamics during the military operations being used successfully in troops training.

In Chapter 1 are presented issues regarding the types of missions of the armored vehicles, the main characteristics of armored vehicles and trends of their evolution.

Chapter 2 is devoted to the presentation of multi-criteria analysis methods that can be used in choosing the optimal alternative based on the criteria analysis and weights that they have, being presented in detail the modified ELECTRE methods which will be applied in the case study presented in final chapter.

The last chapter is established to a case study involving the hierarchy of the armored vehicles variants, acting in a multinational environment, according to their technical-tactical characteristics, using multi-criteria optimization method presented in the previous chapter.

This type of analysis can be the basis for achieving efficient and effective products that meet the operational requirements in which they have to operate. We are witnessing to an unprecedented increase of the speed with which the products are changed and improved, but also to a decrease costs of achieving them through the use of appropriate tools for modeling and simulation.

There is a paradox: on one hand increases the speed at which a product is moral worn out, but on the other hand, increases their life through various upgrades. A concept that has emerged and that will probably go in the future is that regarding the modularity of a weapon systems, through using complex platforms which, depending on the types of missions that are going to be accomplished, are properly equipped with specific modules required by that mission.

I. Using armored vehicles in military operations

I.1. Armored vehicle missions

The armored vehicles are some of the most complex weapons systems in the Land Forces. Armored vehicles complexity was explained by the Treaty on Conventional Armed Forces in Europe signed in Paris on November 19, 1990 [7], which defines the armored technique in the following terms: battle tank is a self-propelled armored fighting vehicle, with high fire capacity, having a main gun for direct fire with high initial velocity (of the projectile), necessary to engage armored and other targets, with high mobility in any field, ensuring a high level of protection that is not designed or equipped primarily to transport combat troops [1].

I.2. Factors influencing the operation of armored vehicle

Tank concept as weapon being already known, several nations have designed and manufactured tanks during time [8], [15], now being many types of armored vehicles for different purposes.

To analyze an armored vehicle, it is proposed a diagram of ideas with necessary elements in terms of ensuring a proper proportion between the three main components: firepower, mobility and protection (Figure 1).

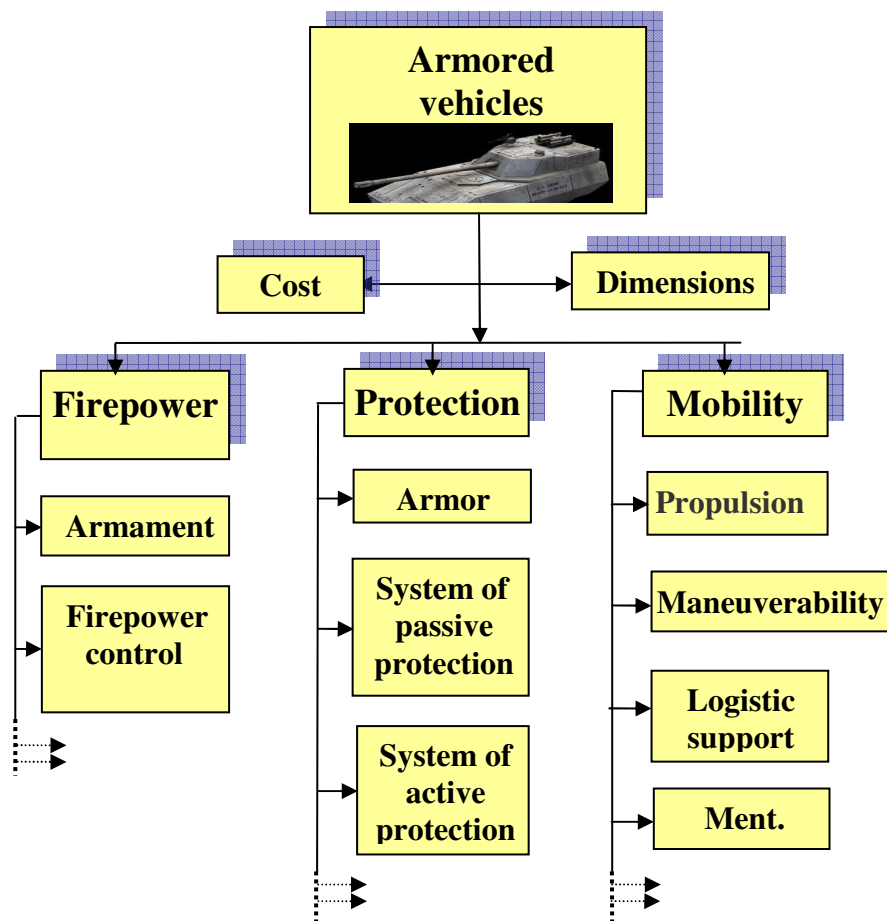


Figure 1 Necessary design elements of a heavy armored vehicle

Firepower is decisive for a tank to destroy a target. For this it has to be taken into account the maximum distance from which the objective can be attacked [14], the ability to attack mobile targets, the speed that can be attacked multiple targets and the ability to defeat armored vehicles and infantry in the trenches [4].

Mobility includes speed and agility on the battlefield, the type of terrain that can be crossed, the height of the obstacles, the trenches that they might pass, the ability to cross bridges and the distance that they can travel before being supplied with fuel [14]. Strategic mobility include [5], besides the ability to move with speeds on different roads, the possibility to be transported [14] on the train or truck trailers [4].

Protection depends on the thickness of armor, its type or types, its distribution and what vulnerable areas are better armored (usually the turret and the front, the back and under the tank) [9]. The protection comprises a low silhouette, low noise and thermal signature, and other methods for active measures to avoid enemy fire and ability to continue fighting after suffering damage [4].

Traditionally, between these three factors is maintained a compromise, considering that it is impossible to maximize all factors simultaneously. Thus, the increase of armor leads to the increase of weight and to the decrease of the mobility. Moreover, the increase of firepower using a large caliber gun and ammunition lead to the reduce of the stability during firing or moving. Choosing a compromise depends on various aspects, including military strategy, budget, geography, political will and ability to sell tanks to other countries.

I.3 Trends in the evolution of military technical systems

Terrestrial weapons platforms are shaped by what has been already achieved in the field of fighting machines of the land forces and provide automatic guns with small caliber, equipment for launching guided antitank missile, antiaircraft and terrestrial machine guns, smoky grenade launchers etc.

The heaviness of the armored vehicles in general, is the motivation for the effort to create new armored vehicles, this concept being so special that experts in this field refuses to name the tank actually making reference in fact to the new concept as a future battle system, extremely revolutionary (Future Combat System = FCS) [3].

The new system is designed as a platform, exclusively electric, which can be faster, easier, with much greater possibilities of destruction and with requirements for refueling and ammunition much lower. An electric engine could ease the logistic system of the formations for fuel supply, and the electromagnetic gun - which promises firing shots with controllable speed which are extremely high - could increase the firepower of the tank and would decrease the storage capacity [3].

There are many speculations about the future evolution of the tank. A military maxima says that can not be attacked what can not be identified. The specialists tend to an invisible tank on radar, adopting the technology created in principle for airplanes. United States seem particularly interested in this, but "invisibility" systems (stealth) [14] are very expensive and sophisticated [9], [10].

II. Multicriteria methods of optimization

II.1. Using multicriteria methods

The decision theory aims to develop general methods enabling the generalization of all decision-making procedures [6]. Decision is the focus of management activity. The quality of the decision process influences the cost reduction, the efficiency of funds used, earnings growth, etc. The environment plays an important role in the decision making process. Depending on the degree of knowledge of the decision-maker regarding the outcome of various alternatives there are decisions under certainty, risk and uncertainty [6].

If the case of certainty and risk condition there are different optimization techniques, but in uncertainty conditions, theoretically speaking, there is not enough data such that the decision can be taken. The reason is that by definition, the decision means choosing between options, and if they are not known, the choice can not be made.

In practice the decision is made by use of judgment and available information in order to estimate the values and the likelihood occurrence of the possible outcomes. So basically, uncertainty becomes risk. The state of the result can be:

- Certainty – there is only one result for each alternative and there are complete and exact knowledge regarding it;
- Risk – there are many possible outcomes for each alternative and for each it can be attached a value and a probability of achieving the results, it represents the assumption more or less conscious of the decision making results;
- Uncertainty – the number of alternatives, the values and probabilities are not known.

There are methods of decision making under certainty and uncertainty conditions which are applied according to the information available, the types of analysis criteria and the weights that they have in the ongoing process.

II.2. Modified ELECTRE method

The ELECTRE method is applied usually when we are unable to establish the exact weights of the criteria against which we intend to make ranking alternatives we have available, but only a hierarchy of criteria for assessing alternatives.

Will assume that we have n variants, the set of these being $V = \{V_1, V_2, \dots, V_i, \dots, V_n\}$ and m criteria of evaluation, the set of these being $C = \{C_1, C_2, \dots, C_j, \dots, C_m\}$.

Will assume also that the establishing the importance order of the criteria is given by the set $K = \{k_1, k_2, \dots, k_j, \dots, k_m\}$, these having distinct values from 1 to m ($k_i \neq k_j, k_i \in 1, m$). Information that has to be known is that regarding the result that the C_j criterion has over V_i alternative which will be denoted by a_{ij} these values generating the consequences matrix presented in Table 1.

Table nr. 1 Consequence matrix

	C_1	C_2	.....	C_j	.....	C_m
	<i>max/min</i>	<i>max/min</i>	.....	<i>max/min</i>	.....	<i>max/min</i>
V_1	a_{11}	a_{12}	.....	a_{1j}	.....	a_{1m}
V_2	a_{21}	a_{22}	.....	a_{2j}	.....	a_{2m}
.....
V_i	a_{i1}	a_{i2}	.....	a_{ij}	.....	a_{im}
.....

	C_1	C_2	.....	C_j	.....	C_m
	max/min	max/min	.....	max/min	.....	max/min
V_n	a_{n1}	a_{n2}	.....	a_{nj}	.....	a_{nm}
$Coef. imp.$	k_1	k_2	.....	k_j	.....	k_m

For ranking the alternatives we will apply the following algorithm:

1. The consequence matrix will be normalized in order to have the same measure unit for all criteria using in evaluation, denoted $(r_{ij})_{\substack{i \in \overline{1,n} \\ j \in \overline{1,m}}}$, using the following

relations:

- for a criterium of minimum, the values of normalized matrix will be calculated using the relation:

$$r_{ij} = \frac{a_{j\max} - a_{ij}}{a_{j\max} - a_{j\min}};$$

(1)

- for a criterion of maximum, the values of normalized matrix will be calculated using the relation:

$$r_{ij} = \frac{a_{ij} - a_{j\min}}{a_{j\max} - a_{j\min}},$$

(2)

where

- a_{ij} is the element from the consequence matrix accordingly to the mission i and the criterion j ;
- $a_{j\max}$ is the biggest value from the consequence matrix accordingly to the criterion j ;
- $a_{j\min}$ is the smallest value from the consequence matrix accordingly to the criterion j .

2. Are determined the elements of the concordance matrix by the relationship

$$c(V_k, V_l) = \frac{\sum_{j=1}^n k_j \cdot \chi_{\{j | r_{jk} \geq r_{jl}\}}}{\sum_{j=1}^n k_j};$$

(3)

3. Are determined the elements of the discordance matrix by the relationship

$$d(V_k, V_l) = \begin{cases} 0, & \text{daca } r_{kj} \geq r_{lj}, (\forall) j = \overline{1, n} \\ \frac{1}{\alpha} \max_{\{j | r_{lj} > r_{kj}\}} \{r_{lj} - r_{kj}\}, & \text{altfel} \end{cases}, \quad \text{where} \quad \alpha = \max_{i,j} r_{ij} - \min_{i,j} r_{ij};$$

(4)

4. It will be introduced two criteria of ranking the alternatives which are variants of ELECTRE method and which have the advantage that presents more clearly the relationship of superiority of an alternative to another.

The first modified method consists of building three matrices, the final matrix being the one that will provide the optimum hierarchy, based on the introduction of two parameters, α and β , which are defined as follows:

$$\alpha = \frac{1}{n(n-1)} \sum_{k=1}^n \sum_{\substack{l=1 \\ l \neq k}}^n c_{kl}$$

(5)
and

$$\beta = \frac{1}{n(n-1)} \sum_{k=1}^n \sum_{\substack{l=1 \\ l \neq k}}^n d_{kl},$$

(6)

which represent an average of the C and D matrices elements.

Helping by these parameters are built the F and G matrices as follows:

$$F = (f_{kl})_{\substack{k \in \overline{1,n} \\ l \in \overline{1,n}}}, f_{kl} = \begin{cases} 1, & c_{kl} \geq \alpha \\ 0, & c_{kl} < \alpha \end{cases},$$

(7)
and

$$G = (g_{kl})_{\substack{k \in \overline{1,n} \\ l \in \overline{1,n}}}, g_{kl} = \begin{cases} 1, & d_{kl} \leq \beta \\ 0, & d_{kl} > \beta \end{cases}.$$

(8)

The E matrix is built based on the F and G matrices by the relationship:

$$E = (e_{kl})_{\substack{k \in \overline{1,n} \\ l \in \overline{1,n}}}, e_{kl} = f_{kl} \cdot g_{kl}, (\forall) k \in \overline{1,n} \text{ si } l \in \overline{1,n}.$$

(9)

Thus, an alternative V_k is superior to an alternative V_l if $e_{kl}=1$.

In the E matrix can not be identified two values of 1 on symmetric positions, meaning $e_{kl}=e_{lk}=1$, but can exist symmetric elements that are 0, meaning $e_{kl}=e_{lk}=0$, in this case the two alternatives could not be compared. On positions corresponding to those elements of the E matrix is completed the value $1/2$, meaning $e_{kl}=e_{lk}=1/2$.

Next, to determine the final hierarchy of the analyzed alternatives, are gathered in a separate column for each line of the E matrix elements and there are rearranges the alternatives in descending order of the obtained values, being the final ranking of alternatives.

The second method of ranking derives from the ELECTRE method and consists in the construction on the \tilde{D} and \tilde{F} matrices as follows:

$$\tilde{D} = (\tilde{d}_{kl})_{\substack{k \in \overline{1,n} \\ l \in \overline{1,n}}}, \tilde{d}_{kl} = c_{kl} - d_{kl},$$

(10)

meaning $\tilde{D} = C - D$, and

$$\tilde{F} = (\tilde{f}_{kl})_{\substack{k \in \overline{1,n} \\ l \in \overline{1,n}}}, \tilde{f}_{kl} = \begin{cases} -, & k = l \\ 1, & \tilde{d}_{kl} > \tilde{d}_{lk} \\ 0, & \tilde{d}_{kl} < \tilde{d}_{lk} \\ 1/2, & \tilde{d}_{kl} = \tilde{d}_{lk} \end{cases}.$$

(11)

Further, to determine the final hierarchy of analyzed alternatives, are gathered in a separate column for each line of matrix \tilde{F} elements and there are rearranges the

alternatives in descending order of the obtained values, being the final ranking of alternatives.

Establishing final hierarchy of alternatives is done by adding the values obtained by two methods for each alternative and rearranging alternatives in descending order of the last values obtained after applying the two modified ELECTRE methods.

III. Optimal use of armored vehicles in military actions

III.1. Choosing models of tanks

The data to be used in this model will be imported from the database of the EPOCC software.

The way in which the EPOCC software can be used for evaluation of weapon potential for a weapon system is shown in the figure below. Also in the diagram below can be seen the steps that have to be followed in obtaining the information regarding a particular weapon system.

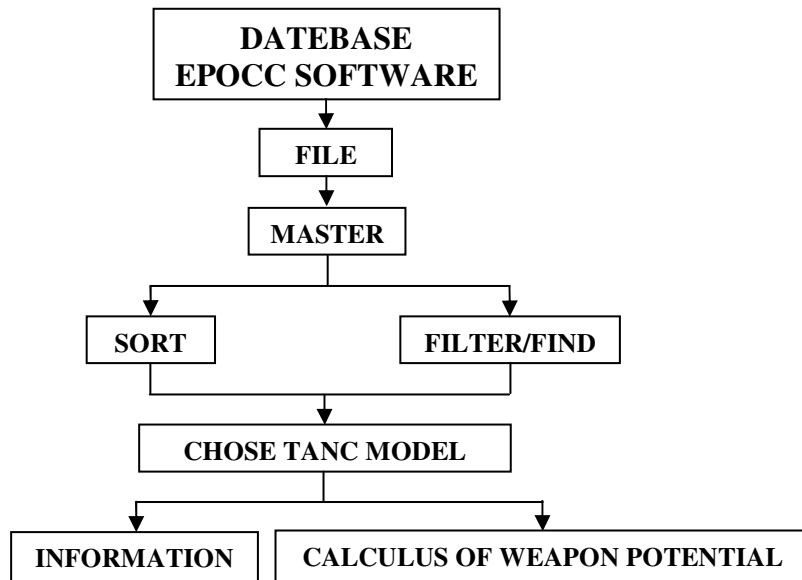


Figure 2 Using the EPOCC software for evaluating the weapon potential

Specifically, when selecting a weapon system and the desired model, for example a tank model, in figure 3 are presented the information provided by the software, that means both technical and tactical general characteristics of that tank model and his weapon potential.

In the figures 4 is displayed the characteristics related to the main gun and other weapon systems mounted on an armored vehicle.

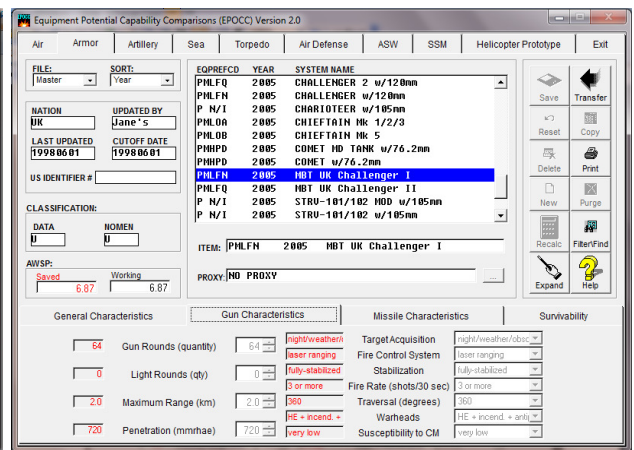
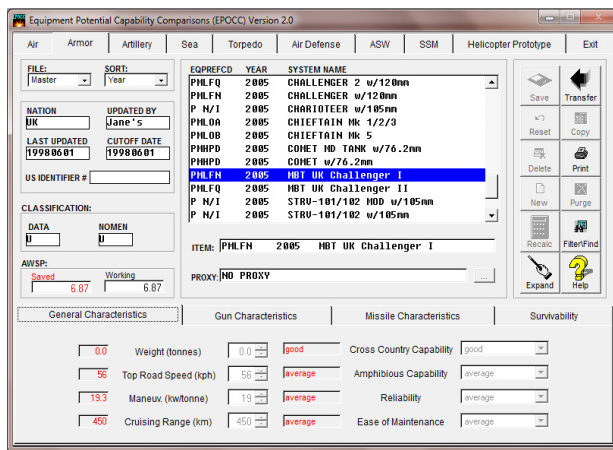


Figure 3 Main characteristic of tank model Figure 4 Gun characteristic of tank model

The images from figures 5 and 6 are displayed information on types of missiles from the endowment of that armored vehicles and information regarding the protection systems available on a armored vehicle to cope with the types of military operations in which it participates.

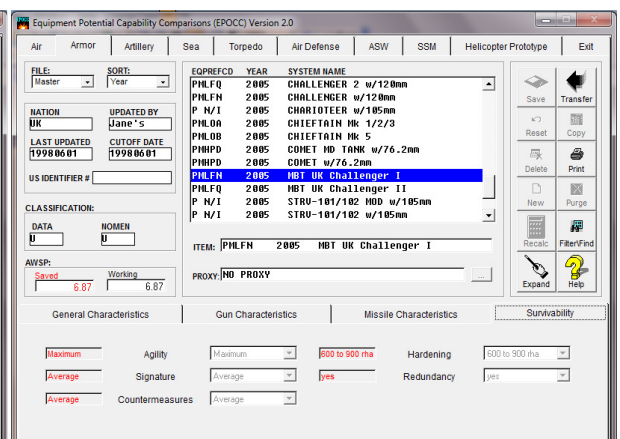
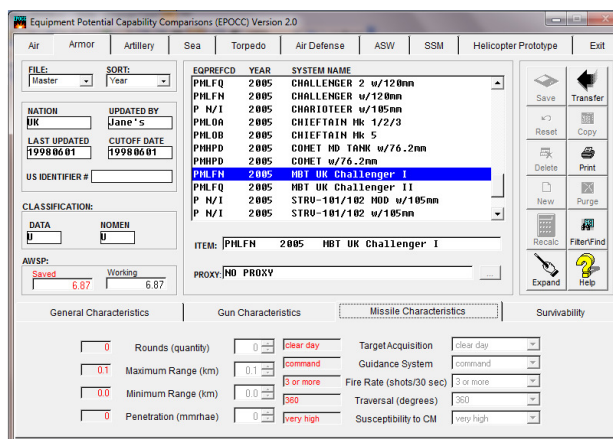


Figure 5 Missiles characteristic of tank model Figure 6 Survival capacity of tank model

The approach taken in this chapter was the starting point TASCFORM ARMOR methodology, which has improved over time [6].

III.2. Description of operational requirements

The EPOCC software allows the achievement an impressive database with all weapons systems grouped by category, and an assessment of their potential. This software is a useful tool for commanders and decision makers to assess the potential of fight to a military structure. Further information on technical and tactical characteristics of armored vehicles can be found in [10], [11], [12], [13].

Thus, data on technical characteristics of these analyzed weapons systems are provided by EPOCC software and are presented in Table 2.

Table 2.

No.	Characteristic	No.	Characteristic	No.	Characteristic	No.	Characteristic
1	Gunrnd	10	Guncmsus	19	Genhardn	28	Mslpentr
2	Gunltnrd	11	Guntrav	20	Genredun	29	Msltacq

No.	Characteristic	No.	Characteristic	No.	Characteristic	No.	Characteristic
3	Gunmaxrg	12	Genspeed	21	Genxctry	30	Mslquid
4	Gunpentr	13	Genmanuv	22	Genphib	31	Mslfirt
5	Guntacq	14	Gencrurg	23	Genreli	32	Mslcmsus
6	Gunfrctl	15	Genagil	24	Genmaint	33	Msltrav
7	Gunstabl	16	Gensig	25	Mslrnd	34	AWSP
8	Gunfirt	17	Genwt	26	Mslmaxrg		
9	Gunwarhd	18	Gencm	27	Mslminrg		

The intended steps for carrying out this study are the following [2]:

- the main technical-tactical characteristics considered are 34;
- tank models analyzed have weighing 12 tons;
- there are removed all parameters that have the same values for all tank models selected for analysis;
- will be considered only feature - Mslrnd, being sufficient to distinguish between tanks which are equipped with missiles and other tanks (this means that can be removed others 8 parameters).

For example have been selected nine tank models, the selection having into account 12-ton tanks, manufactured in 2005, which are in category "MAIN BATTLE TANK" and that main gun is more than 120 mm. In the image below are highlighted parameters that have the same values (with yellow) and those related to Mslrnd (with green) for all selected models.

Figure 7. The technical-tactical characteristics offered by EPOCC software for selected models

After removing the parameters specified above will remain in discussion only 17 parameters shown in table below.

Table 3. The final technical-tactical characteristics for ranking the nine models of tanks

Nr. crt.	Caracteristica	Nr. crt.	Caracteristica	Nr. crt.	Caracteristica	Nr. crt.	Caracteristica
1	Gunrnd	6	Gunwarhd	11	Genagil	16	Mslrnd
2	Gunmaxrg	7	Guncmsus	12	Gensig	17	AWSP
3	Gunpentr	8	Genspeed	13	Gencm		
4	Guntacq	9	Genmanuv	14	Genhardn		
5	Gunfrctl	10	Gencrurg	15	Genphib		

III.3. Choosing the optimum armored vehicle alternative

Based on the table above will be considered the nine models of tanks, in the figure below being presented the values of their technical-tactical characteristics (highlighted in yellow is the only tank model which is equipped with weapons systems that allow missile

firings) and also the attached normalized matrix (green) depending on the type of criterion (maximum or minimum).

Figure 8 The technical-tactical characteristics offered by EPOCC software for selected models

Based on normalized matrix are built the concordance and discordance matrices C and D which are presented below.

C =

0	0,51634	0,38562	0,65359	0,59477	0,51634	0,40523	0,46405	0,50327
0,67974	0	0,40523	0,71895	0,60784	0,62745	0,47059	0,4183	0,56209
1	0,82352	0	0,87582	0,83007	0,71242	0,70588	0,82353	0,71242
0,8366	0,56862	0,59477	0	0,58824	0,45752	0,45098	0,56209	0,66013
0,78431	0,62745	0,50327	0,66667	0	0,50327	0,50327	0,50327	0,68627
0,9085	0,90196	0,64052	0,95425	0,73856	0	0,73856	0,68627	0,81046
0,81699	0,81045	0,64052	0,86275	0,7451	0,69935	0	0,75163	0,81046
0,96732	0,84967	0,53595	0,84314	0,7451	0,73856	0,67974	0	0,64706
0,5817	0,63398	0,44444	0,51634	0,66013	0,43791	0,52941	0,4902	0

D =

0	1	1	1	1	1	1	1	1
1	0	1	1	1	1	1	1	1
0	0,5	0	1	1	0,468	1	0,4615	1
1	1	1	0	1	1	1	1	1
1	0,50249	1	1	0	1	1	1	1
1	1	1	1	1	0	1	1	1
1	1	1	1	1	0,249	0	1	1
0,5	1	1	1	1	1	1	0	1
1	1	1	1	1	1	1	1	0

Given C and D matrices, for the first method of ranking the 9 variants of tanks, are calculated the parameters a and b based on which are built the F and G matrices, which can be seen below. Parameter values are a = 0.65732 and b = 0.94001, and the matrices F and G have the values below.

F =	0	0	0	0	0	0	0	0
	1	0	0	1	0	0	0	0
	1	1	0	1	1	1	1	1
	1	0	0	0	0	0	0	1
	1	0	0	1	0	0	0	1
	1	1	0	1	1	0	1	1
	1	1	0	1	1	1	0	1
	1	1	0	1	1	1	1	0
	0	0	0	0	1	0	0	0

G =	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	1	1	0	0	0	1	0	0
	0	0	0	0	0	0	0	0
	0	1	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	1	0	0
	1	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

Further, based on that two matrices from ahead it is built the E matrix from below, and based on it, considering that many variations can not be compared, the E' matrix.

E =	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	1	1	0	0	0	1	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	1	0	0
	1	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

E' =	0	0,5	0	0,5	0,5	0,5	0,5	0	0,5	3
	0,5	0	0	0,5	0,5	0,5	0,5	0,5	0,5	3,5
	1	1	0	0,5	0,5	1	0,5	1	0,5	6
	0,5	0,5	0,5	0	0,5	0,5	0,5	0,5	0,5	4
	0,5	0,5	0,5	0,5	0	0,5	0,5	0,5	0,5	4
	0,5	0,5	0	0,5	0,5	0	0	0,5	0,5	3
	0,5	0,5	0,5	0,5	0,5	1	0	0,5	0,5	4,5
	1	0,5	0	0,5	0,5	0,5	0,5	0	0,5	4
	0,5	0,5	0,5	0,5	0,5	0,5	0,5	0	0	4

Also, based on the C and D matrices is determined the F' matrix , and for ranking the variants of tanks using the second method is built the G' matrix, the values of these two matrices being presented below.

F' =

0	-	-0,6144	-0,3464	-0,4052	-0,4837	-0,5948	-0,5359	-0,4967
-0,3203	0	-0,5948	-0,281	-0,3922	-0,3725	-0,5294	-0,5817	-0,4379
1	0,32352	0	-0,1242	-0,1699	0,24442	-0,2941	0,36199	-0,2876
-0,1634	-	-0,4052	0	-0,4118	-0,5425	-0,549	-0,4379	-0,3399
-0,2157	0,43137	-0,4967	-0,3333	0	-0,4967	-0,4967	-0,4967	-0,3137
-0,0915	0,12496	-0,3595	-0,0458	-0,2614	0	-0,2614	-0,3137	-0,1895
-0,183	0,09804	-0,3595	-0,1373	-0,2549	0,45059	0	-0,2484	-0,1895
0,46732	0,18954	-0,4641	-0,1569	-0,2549	-0,2614	-0,3203	0	-0,3529
-0,4183	0,15033	-0,5556	-0,4837	-0,3399	-0,5621	-0,4706	-0,5098	0
	0,36601							

G' =

0	0	0	0	0	0	0	0	0	0
1	0	0	1	0	0	0	0	0	2
1	1	0	1	1	1	1	1	1	8
1	0	0	0	0	0	0	0	1	2
1	1	0	1	0	0	0	0	1	4
1	1	0	1	1	0	0	0	1	5
1	1	0	1	1	1	0	1	1	7
1	1	0	1	1	1	0	0	1	6
1	1	0	0	0	0	0	0	0	2

Depending on the values obtained in E 'and G' matrices is built the table with values obtained with these two methods and combined for ranking the analyzed tank models.

WSNAME	WSDSCR	YEAR	NATION	E'	G'	E'+G'	AWSP
AVADI w/125mm	MAIN BATTLE TANK	2005	IN	3	0	3	4,05
LEOPARD 3 w/140mm	MAIN BATTLE TANK	2005	GM	3,5	2	5,5	4,48
PT-91 w/125mm CANNON	MAIN BATTLE TANK	2005	PL	6	8	14	5,38
T-72S w/125mm	MAIN BATTLE TANK	2005	RS	4	2	6	5,53
TYPE 90-II w/125mm	MAIN BATTLE TANK	2005	CH	4	4	8	4,38
M-1A2 IMP w/120mm	MAIN BATTLE TANK	2005	US	3	5	8	6,55
VICKERS Mk 7/2 w/120mm	MAIN BATTLE TANK	2005	UK	4,5	7	11,5	6,29
ARIETE C.1 w/120mm	MAIN BATTLE TANK	2000	IT	4	6	10	5,13
MERKAVA Mk3 w/120mm	MAIN BATTLE TANK	2000	IS	4	2	6	5,17

In this situation is shown that the best alternative is to use the PT-91 w/125mm CANNON model.

CONCLUSIONS

It is important that within these kind of analyzes to be used several alternatives of setting the levels of risk factors and weights of criteria and sub-criteria (sensitivity analysis) to see how the hierarchy is changing and what these changing mean. In this approach can not be done a comprehensive analysis of sensitivity, but is a mandatory step in achieving these kinds of studies.

It is also important that in this kind of analysis to use as many methods and models that fitted with the problem in order to determine accurately that the results are fine and can be implemented in practice.

For the decision makers in the defense and national security structures, the application regarding the optimal selection of equipments and technique depending on the mission is a useful tool that can simplify the decision making process in the military operations.

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SIMILARITIES AND DIFFERENCES BETWEEN MANAGER AND LEADER

LTC Dorin DUICULETE

CONTENTS

Introduction

Chapter 1 Leadership or Management

Chapter 2 Similarities between Leaders and Managers

Chapter 3 Differences between Leaders and Managers

Chapter 4 From Manager to Leader, the Steps

**4.1 Level of Skills Required for Typical Leadership
and Managerial Position**

4.2 The steps from manager to leader

Chapter 5 Why The Military Produces Great Leaders?

Conclusions

References

INTRODUCTION

Management is a social science which covers planning, coordinating, directing, supervising and organizing resources (human, material and financial), while leadership is the guidance and encouragement to manage people. Managers manage, but leaders lead. Managerial abilities and leadership skills are needed by managers and leaders in different proportion to direct and lead others.

Fayol (1916) said "to manage is to forecast and plan, to organize, to command, to coordinate and to control." Leaders and managers plan, organize and control people. Cole (1996) said "leadership is something more than just personality or accident or appointment. It is intimately linked with behavior. It is essentially a human process at work in organizations".

A manager has more managerial abilities than leadership skills, and a leader has more leadership skills than managerial abilities (Chiu and Stenbridge, 1998). None of them is an island on his or her own. Some people believe a manager is the same as a leader because they perform the same tasks. There is a remarkable difference in how they achieve results. These approaches taken by managers and leaders have taken such importance and gravitas in management researchers works that they are now differentiated. There is no one perfect way of managing people. Effective leaders and managers adapt their leadership skills and managerial abilities to the development level of the people they are managing. According to Stiles (2009) "to think there is one best way in managing human resources is simplistic and wrong". "There is no one best way or unique approach to managing people" (Office of the Auditor General of Canada, 2006).

Leadership and managerial roles are usually determined by the position and not person's specification (Wickramasinghe, 2007). Leadership and managerial roles can be used to manage people based on the tasks ahead. Leadership and managerial positions have been used interchangeably for leaders and managers because the two perform closely the same tasks (management of people) through different means, the two methods of managing people can be learnt and some people have to be managed using skills from leadership and management at the same time.

According to Cole (1998) "the crux of every management job lies in the jobholder's capacity to obtain the commitment of people to the objectives of the

organization, which is another way of saying "to exercise appropriate leadership". Management concepts emerged before leadership theory.

Leadership is a relationship in which one person influences the behaviors of followers. It is getting others to follow and getting group to do tasks willingly without coercion.

In the past, different writers have used the same words to describe leaders and managers. For example, Cieslinska (2007) said "the notion of manager is fairly indefinite". Griffin (2000) defined manager as a person who first of all is responsible for realization of management process. In particular manager is the person that makes plans and decisions, organizes, supervises, and controls human, finance and information resources. Poczowski (1997) also was of the opinion that manager is the profession which essence is the management - the art of reaching goals by proper using the finance, material and human resources.

Penc (2000) said manager is a person employed for managing, fulfilling all his functions and making use of all or some part of organization's resources in order to achieve goals of the whole organization or its given part. Cieslinska (2007) said that manager is the person employed in the administration position, who has comprehensive knowledge necessary to leading people and managing the organization, in order to achieve optimal realization of their tasks in the confined conditions. Manager, by Penc (2003), is also the specialist, who is able to find the solution in complicated conjuncture, who is not afraid to take a risk, who can draw the visions of the future, formulate the strategy of welcome changes and knows how to use the resources for optimal realization of his visions.

In the past management roles are inseparable because there was no need for separation. **Workforce diversity, globalization, competition and information technology development have necessitated the distinction between management and leadership. Recent theories in management have shown that though there are great similarities in leadership and management, there are also a lot of remarkable differences.** Depending on organizations, leaders are in the position to take risks more than managers are. There are other features distinguishing a leader and a manager. These will be discussed as follows.

Chapter 1

LEADERSHIP OR MANAGEMENT

Leadership and management are often used interchangeably, but they are two distinctive and complementary processes. John Kotter¹, Konosuke Matsushita Professor of Leadership at Harvard Business School, argues that leadership is different from management, but if either is missing, success in today's business environment will be elusive.

According to Warren Bennis and Bert Nanus, 'leadership is one of the most observed and least understood phenomena on Earth'.² There are consequently many definitions of leadership, but the following one is worth quoting because it includes elements of influence, intention, responsibility, change, and creating a shared purpose:

*Leadership is an influence relationship among leaders and followers who intend real changes that reflect their shared purpose.*³

Management, on the other hand, has been described as the: *attainment of organisational goals in an effective and efficient manner through planning, organising, staffing, directing and controlling organisational resource.*⁴

Leadership is thus about people while management is about control and creating predictable results. Unfortunately, management is today regarded by some as being a lesser skill than leadership. Kotter argues however that neither is better than, nor a replacement for, the other and that 'the real challenge is to combine strong leadership and strong management and use each to balance the other'.⁵

"Leadership is thus about people
while management is about control..."

Richard Daft,⁶ building principally on the work of Kotter,⁷ has produced the following comparison between management and leadership (see overleaf).

¹ J P Kotter, 'What Leaders Really Do', *Harvard Business Review* (May/June 1990).

² Warren Bennis & Bert Nanus, *Leaders: The Strategies for Taking Charge* (Harper and Row, 1985).

³ Joseph C Rost, *Leadership for the 21st Century* (Praeger, 1993), p 102.

⁴ R L Daft, *Leadership Theory and Practice* (Dryden Press, 1999).

⁵ Kotter, p 26.

⁶ Daft (1999).

⁷ Kotter, p 26.

	Management	Leadership
Direction	<ul style="list-style-type: none"> • Planning and budgeting • Keeping an eye on the bottom line 	<ul style="list-style-type: none"> • Creating vision and strategy • Keeping an eye on the horizon
Alignment	<ul style="list-style-type: none"> • Organising and staffing • Directing and controlling • Creating boundaries 	<ul style="list-style-type: none"> • Creating shared culture and values • Helping others grow • Reduce boundaries
Relationships	<ul style="list-style-type: none"> • Focusing on objects – producing/selling goods and services • Based on a position of power • Acting as boss 	<ul style="list-style-type: none"> • Focusing on people – inspiring and motivating followers • Based on personal power • Acting as coach, facilitator, servant
Personal Qualities	<ul style="list-style-type: none"> • Emotional distance • Expert mind • Talking • Conformity • Insight into organisation 	<ul style="list-style-type: none"> • Emotional connections (Heart) • Open Mind (Mindfulness) • Listening (Communication) • Non-conformity (Courage) • Insight into self (Integrity)
Outcomes	<ul style="list-style-type: none"> • Maintain stability 	<ul style="list-style-type: none"> • Creates change, often radical change

Management is about the control process, which ensures that lapses in performance are spotted and corrected. Managerial processes therefore must be as close as possible to fail-safe and risk-free.

The leadership contribution is to motivate, inspire and energise people by satisfying basic human needs for achievement, a sense of belonging, recognition, self-esteem, control over one's own life and an ability to live up to one's ideals.

Good leaders motivate people by making the vision relevant to the particular group, supporting the employee with coaching, feedback and role-modelling, and by recognising and rewarding success.

To be successful, an organisation needs both good management and leadership.

Chapter 2

SIMILARITIES BETWEEN LEADERS AND MANAGERS

The following similarities will show what a leader and a manager are:

Authority: Managers and leaders have authorities over their teams. Both managers and leaders are bosses in their own right.

Motivation: Lee Iacocca, former CEO of Chrysler, said "managing is nothing more than motivating people". T. J. Owston in his "Motivation and Leadership Theory" said that a leader is someone who motivates. Herzberg recognized that tasks had to be accomplished with motivational factors. McGregor in Human Styles of Enterprise (1960) divided human management into two groups. His X Theory people need authorization and coercion management, they were people who hate work, are lazy, incapable of taking responsibility and needed to be forced to do tasks. His Y Theory people need management by participation, which are self motivated and might be more like the majority of people. Their other wants are being satisfied. They are capable of exercising self-direction and self control if committed to an objective, the achievement of which gives them an ego reward. McGregor believed that people would accept and seek responsibility, have high potential and have this potential only partially utilized.

Team head: A manager and a leader are both team heads. They coordinate teams to achieve results.

Communication: Both managers and leaders use effective communication to plan, organize, direct and control people. While managers authorize a group of people to undertake tasks, leaders motivate them to do the same. They all communicate effectively using different approach. A leader may chose to participate or not, but he does not weird his stick and carrot like a manager.

Objective/Goals: A manager and a leader have objectives and goals to achieve through people. They are both expected to achieve results. Manager and leaders make decisions that result in maximum benefit for the organization as a whole.

Resources: Management and leadership require resources (man, time, money and materials) to accomplish their objectives and goals.

Use of Strategy: Both managers and leaders use strategy, action, style or ploy to achieve results.

Negotiation: Both manager and leader negotiate in order to carryout their duties.

Conflict resolution: Disagreements do occur in a manager's and leader's teams and both do settle disagreements and conflicts amicably.

Chapter 3

DIFFERENCES BETWEEN LEADERS AND MANAGERS

It is often difficult to understand the difference between managers and leaders. Do managers lead? Do leaders manage? To understand how these two concepts are distinct yet different, here are 7 ways to understand them.

1. Course and Steering. The word "leadership" comes from the Old English word "lad" for a "course". A "lode" is a vein that leads or guides to ore; a lodestone is a magnetic stone that guides; the lode-star is the name for the star that guides sailors, the Pole star. The word "management" comes from the Latin word "manus", the hand, from which we also get "maintenance" and "mainstay". Leadership guides by setting a ship's course. Management keeps a hand on the tiller.

2. Growth and Survival. Organizations are no different from any other living organism: they need both to survive and grow. Survival is necessary in order to meet the basic requirements of life: in individuals, food, water and shelter; in organizations, a profit, customers, premises, and work. Growth is also necessary so that, like the individual person, an organization can make the most of what it is capable of. The maintenance of the organization is essentially a management function: measuring, looking back, assessing, taking stock, taking careful decisions. Taking the organization into areas of growth, change and development, to make the most of it, is what leadership is all about.

3. Resources and Potential. Management measures what it can count and see. A person in the enterprise is described by their name and title, measured by their output, listed in the database according to their skills and added in the accounts under the heading "manpower resources". Management deals with the past and how people performed to date. Leadership, on the other hand, sees people as capable of things you cannot measure and doing things they never thought possible. It deals with the future and how people could perform if their potential were realized.

4. Left and Right Brains. The left hemisphere of the brain is the seat of our logical and rational thinking. The right brain is the seat of our imaginative, creative and emotional thinking. While these two sides are distinct, they also work best when whole. The left brain is an analogy for management. It deals with what can be counted; detail; control; domination; worldly interests; action; analysis; measurement; and order. The right brain is an analogy for leadership. It deals with what cannot be counted; seeing things as a whole; synthesis; possibilities; belief; vision; artistry; intuition; and imagination.

5. The Seven S's. Richard Pascal says that the processes that take place in organizations fall under seven "S" headings: strategy, structure, systems, shared values, staff, skills and style. The functions of strategy, structure, and systems are the hard S's and the proper concern of managers because they deal with things or technology. The functions of staff, skills, style, and shared values are the soft S's and the proper concern of leaders because they deal with people.

6. Art and Science. John Adair in his book "Leadership" compares management and leadership to the old dichotomy of Art and Science. Managers are of the mind, accurate, calculated, routine, statistical, and methodical. Management is a science. Leaders are of the spirit, compounded of personality and vision. Leadership is an art. Managers are necessary; leaders are essential.

7. Short-Term and Long. When an organization thinks about now and the near-future, it thinks of itself as a production unit. It sees the problems it might face as technical problems needing technical answers. When an organization thinks about the distant future, it thinks about building, learning and growing. It seeks to identify and develop its opportunities. It defines itself by what it is, not by what it does. The difference between short-term and long-term thinking is the difference between an organization that holds on tight to what it has and an organization that stays loose and lets things grow. Organizations that need quick fixes rely on managers. Organizations that want to grow rely on leaders.

The difference between management and leadership is like the difference between male and female, sun and moon, night and day, fat and thin, hot and cold, coming and going, and so on. They are two sides to the same coin. In being the one, we see the other. While different and distinct, they are parts of the whole: essential contrasts that in contrasting make clearer the other.

The debate between leadership and management has been raging for a number of years. I feel that the distinction between management and leadership is

useful one, in that it helps us gain a better understanding of leadership and causes us to reflect on our own behavior, asking ourselves, "Are we really leading?" So what are the differences between managers and leaders?

"There is a profound difference between management and leadership, and both are important. To manage means to bring about, to accomplish, to have charge of or responsibility for, and to conduct. Leading is influencing, guiding in a direction, course, action, opinion. The distinction is crucial" - Warren Bennis.

Warren Bennis, in his book "On Becoming a Leader", describes his view of the differences between managers and leaders as follows:

- The manager **administers**; the leader **innovates**.
- The manager is a **copy**; the leader is an **original**.
- The manager **maintains**; the leader **develops**.
- The manager focuses on **systems and structure**; the leader focuses on **people**.
- The manager relies on **control**; the leader inspires **trust**.
- The manager accepts **reality**; the leader **investigates** it.
- The manager has a **short-range view**; the leader has a **long-range perspective**.
- The manager asks **how and when**; the leader asks **what and why**.
- The manager has his or her eye always on **the bottom line**; the leader has his or her **eye on the horizon**.
- The manager **imitates**; the leader **originates**.
- The manager accepts the **status quo**; the leader **challenges it**.
- The manager is the classic **good soldier**; the leader is his or her **own person**.
- The manager does **things right**; the leader does the **right thing**.

The most profound differentiation between managers and leaders is the general unwillingness of managers to lead. They often are unable or unwilling to make the tough and unpopular decisions necessary and instead follow the path of least resistance. Many times this is the result of the manager's lack of leadership qualities. In other cases, it's the result of a manager being managed by a manager, usually a micromanager, rather than a leader.

The position and authority of the leader must correspond to the profile of the organization that he is a part of, to his position in the hierarchy that impose some limitations to him and must have certain psychological characteristics. The leader must be a powerful personality, act democratically, skilful and bright, he must know to

gain profit from different opportunities and must have a range of behaviors he can adopt in various situations. There are three types of behaviors of leaders. The first is the director, a character whose role is strictly to manage, act according to his expectations, so that the task is fulfilled. The efficient leader has only to incite others to act according to his expectations in order to fulfill the tasks. The competent leader persuades others to act according to his expectations but also finds means to satisfy their needs.

Some leaders use coercion, threats, manipulation, fear or persuasion, which lead to good results, but only for a short term and with a great consumption of energy.

Leaders are characterized by penetrating spirit and a relatively developed capacity of analysis. They can think strategically and multidimensionally, they have a good professional intuition; they are popular and usually elected in an informal manner due to the attraction that they exert because of their qualities.

Leaders are ready to learn permanently, they have clear ideas about how to achieve success, and they are energetic and intelligent. They are capable of taking decisions and can handle changes due to their power to adapt; they face reality and try to find adequate answers to the problems they have to solve. T. Zorlean in "The Management of the Organization" states the following qualities that are characteristic to leaders: knowledge of the group and of the sector of activity; a certain reputation and a personal history of successes; attitudes and competences – the capacity to analyze certain reasoning, strategic and multidimensional thinking, the capacity to create good work relationships, sensitivity toward others, understanding of the human nature, professional qualities – integrity, honesty, strong motivation to be a leader.

Leaders are a type of revolutionaries. They permanently try to change the state of things by adequate measures. And, what is most important, they identify what needs to be changed by acting accordingly.

The simple fact that somebody is a leader implies the existence of a group of people for whom he acts as a leading star, a model, the person that represents them, that gets involved, interacts, orients, evaluates, and all that not alone, but in cooperation with the others by way of adaptation according to the feedback received.

When we think of leaders we think of times more or less troubled, of conflicts, innovation and changes. When we think of leadership, we think of stability and constancy. Leaders are those who go in front in order to show the others the way, they are the ones who found new orders, acting as pioneers. They look for ways to

get to something new and revolutionary. Regardless of whether they are selected to initiate something or to continue a project, they always look for opportunities to change.

Leadership means to orient the subordinates in a direction deriving from their long-term interest. That means not to waste the forces and resources of the group, not to exploit the negative part of human nature.

Being a process of directing and influencing the activities of the members of the group, leadership implies: other persons (subordinates) who accept to be directed and oriented by the leader; unequal distribution of power between the leader and his subordinates; the ability to use forms of power in order to influence the subordinates' behavior and the content of the activities they undertake. It is a process of choice and action. Starting from the choices made by the leader, the ways to act are chosen and they will feed and cultivate people's motivation and energy in relation to an idea or action. Power is no longer an action that goes from top down and the power of the leader can be exerted outside the borders and responsibilities of hierarchy and envisages types of relationships between collaborators (colleagues).

The term of leadership describes a set of behaviors and not a group of people that occupy certain positions in an organization or in other social systems. Leadership comprises the behaviors assumed by a person with impact upon the others that is giving them the motivation to act or to believe, on the condition that they are not capable on their own of these behaviors or beliefs, and thus choosing to follow the person that assumes them - the leader.

The motivations of the leader are emotional equilibrium, spirit of mutual assistance, dynamism and will to progress, understanding of human nature; they are preoccupied to raise the level of trust awarded to them

The qualities of the Anglo-Saxon leader are: vision - the capacity to anticipate crises, evolutions, tendencies; passion - the capacity to act passionately to attain a goal and to inspire the others in the same way; the capacity to give examples and to be integrated in the team; to be daring, curious, innovator; to encourage rather than condemn.

Those who have the satisfaction of having such a leader who transforms people at work would tell you: "the shame of not doing something right is much more important than a pay rise", "I am always challenged to wage a competition against myself", with us things are done the best way from the first attempt"

This style of leadership is much more efficient because those who are lead are treated with respect and trust, are advised and incited to act in accordance with man's superior needs, to act in the common rather than personal interest, they are permanently challenged to outperform themselves, their desire to succeed is stimulated.

Leaders do not command excellence but they build excellence. Excellence is being all you can by within the bounds of doing what is right for your organization. You must do everything you are supposed to do. An organization will not achieve excellence by figuring out where it wants to go, then having leaders do whatever they have to in order to get the job done, and then hope their leaders acted with good character. This type of thinking is backwards. Pursuing excellence should not be confused with accomplishing a job or task. When you do planning, you do it by backwards planning. Excellence starts with leaders of good and strong character who engage in the entire process of leadership. And the first process is being a person of honorable character.

To be an effective leader, your followers must have trust in you and they need to be sold on your vision. One of the ways to build trust is to display a good sense of character composed of courage, beliefs, values, skills and traits.

Beliefs are what we hold dear to us and are rooted deeply within us. They could be assumptions or convictions that you hold true regarding people, concepts or things; values are attitudes about the worth of people, concepts, or things; skills are the knowledge and abilities that a person gains throughout life; traits are distinguishing qualities or characteristics of a person, while character is the sum total of these traits.

Traits of a good leader are: honesty-display sincerity, integrity and candor in all your actions, competent – your actions should be based on resort and moral principles; forward-looking set goals and have a vision of the future; inspiring – display confidence in all that you do, by showing endurance in mental, psychical and spiritual stamina, you will inspire others to reach for new heights; intelligent – read, study and seek challenging assignments; fair-minded – display empathy by being sensitive to the feeling, values, interests and well-being of others; broad-minded – seek out diversity; courageous – have the perseverance to accomplish a goal, regardless of the seemingly insurmountable obstacles; straightforward – use sound judgment to make a good decision at the right time; and imaginative – innovative.

Leadership includes the competencies of emotional self-control, accurate self-assessment and self-confidence, transparency, adaptability, achievement initiative and optimism. Leadership includes the justice, judgment, dependability, initiative, decisiveness, tact, integrity, enthusiasm, bearing, unselfishness, courage, knowledge, loyalty and endurance.

Leadership style is the manner and approach of providing direction, implementing plans and motivating people. There are normally three styles of leadership (U.S. Army Handbook, 1973): authoritarian or autocratic; participative or democratic; delegative or free reign.

Authoritarian (autocratic) – this style is used when the leader tells her employees what she wants done and how she wants it done, without getting the advice of her followers. Some of the appropriate conditions to use it is when you have all the information to solve the problem, you are short on time, and your employees are well motivated.

Participative (democratic) – this type of style involves the leader including one or more employees in the decision making process (determining what to do and how to do it). However, the leader maintains the final decision making authority. Using this style is not a sign of weakness; rather it is a sign of strength that your employees will respect.

Delegative (free reign) - in this style, the leader allows the employees to make the decision. However, the leader is still responsible for the decisions that are made. This is used when employees are able to analyse the situation and determine what needs to be done and how to do it. You cannot do everything! You must set priorities and delegate certain tasks.

There is a difference in ways leaders approach their employee. Positive leaders use rewards, such as education, independence, etc. to motivate employees. While negative employees emphasize penalties. While the negative approach has a place in a leader's repertoire of tools, it must be used carefully due to its high cost on the human spirit. Negative leaders act domineering and superior with people. They believe the only way to get things done is through penalties, such as loss of job, days off without pay, reprimand employees in front of others, etc. They believe that frightening everyone into a higher level of productivity increases their authority. Yet, what always happens when this approach is used wrongly is that morale falls; which of course leads to lower productivity.

Two other approaches that leaders use are: consideration (employee orientation) -leaders are concerned about the human needs of their employees. They build teamwork, help employees with their problems, and provide psychological support; structure (task orientation) leaders believe that they get results by consistently keeping people busy and urging them to produce.

Generally speaking, leaders are assigned attributes that allow them to energize their followers. Managers, on the other hand, are the individuals who take care of the mundane and routine details.

Chapter 4

FROM MANAGER TO LEADER, THE STEPS

4.1 Level of Skills Required for Typical Leadership and Managerial Positions

When is the most appropriate time for leadership and managerial training and development? Obviously, the realistic approach would provide sufficient development training prior to the individual being selected to a higher-level position. Leadership training needs to be provided prior to one assuming a position requiring significant amounts of leadership. Appropriate management training needs to be provided prior to one assuming a position requiring that particular skill. Figure 1 illustrates the level of skills typically required for individuals in various leadership and managerial positions.

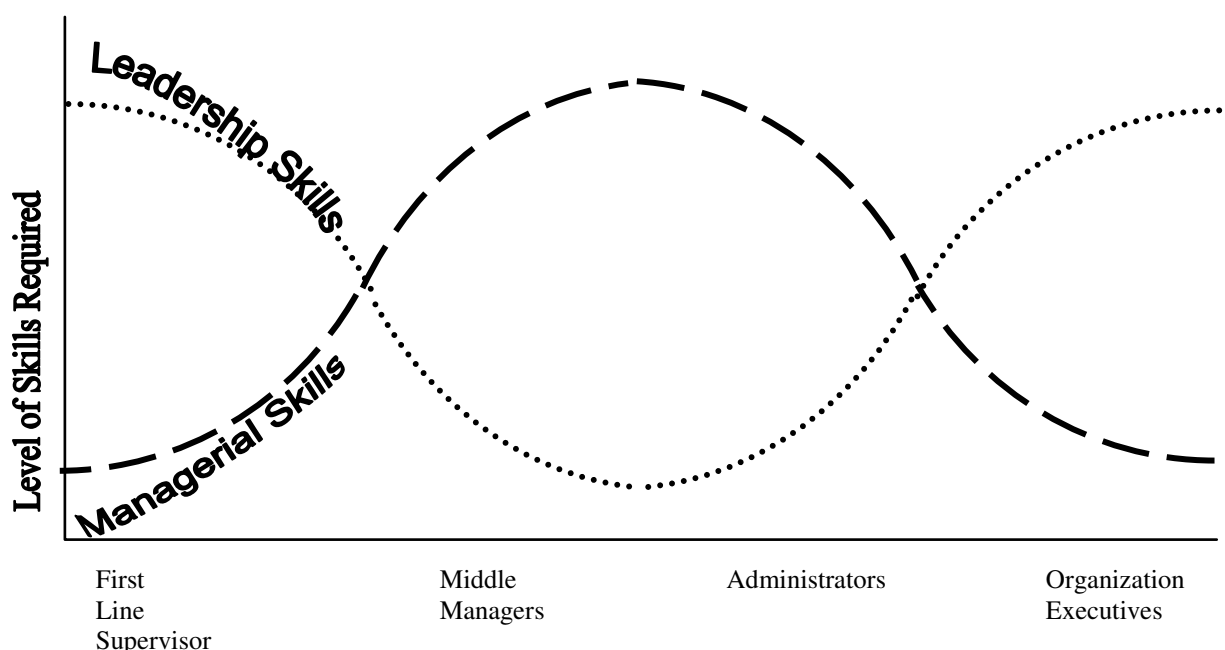


Figure 1. Level of Skills Required for Typical Leadership and Managerial Positions.

First Line Supervisors

First line supervisors require a significantly greater amount of leadership training to be successful in their positions, focusing on people skills-communication, problem-solving, team-building, counseling, motivating and energizing subordinate workers. It is the first line supervisor who communicates the task requirement to each subordinate worker and influences each worker to perform in such a manner to accomplish the task in an effective and efficient manner. Successful first line supervisors interact with subordinate workers on a daily basis and know them on a personal level in order to more effectively motivate him/her. Leadership skills are critical for first line supervisors.

However, the requirement for managerial skills (i.e., planning, organizing, coordinating, directing, controlling) at this level are not completely absent. These supervisors still need to be involved with operational level planning and organizing (i.e., what worker is assigned to work on what task) as well as operational level directing and controlling (i.e., supervision of workers as they execute assigned tasks). Although first line supervisors still need these managerial skills, and some training in these skill sets should be provided, the emphasis for success at this level should be focused on the leadership skills.

As a first line supervisor prepares for advancement or promotion to the ranks of middle management, the skills required change. Therefore, intensive managerial training should be provided to senior first line supervisors preparing to advance up the corporate ladder to better prepare the individual for success in the next higher position.

Middle Managers

The middle manager is one step removed from the line workers and direct contact with these workers on a daily basis significantly decreases. Middle Managers' effort is focused on tasks such as budgeting and allocating resources, tactical level planning, coordinating between departments, and monitoring the implementation of control mechanisms within the department--managerial tasks.

However, leadership skills are not completely absent. Middle managers still need to demonstrate solid leadership to their subordinate supervisors with whom there is daily interaction, keeping them motivated and energized towards accomplishing the organization's goals and objectives. And although the middle managers typically are not in daily contact with the line workers, their decisions do impact on the workers and their actions are under constant scrutiny from the rank

and file. Leadership skills are still required by middle managers. However, the leadership skills developed prior to becoming and refined while serving as a first line supervisor should be adequate for success in middle management positions.

As a senior middle manager prepares for advancement or promotion to the next level, it is important to capitalize on the leadership and managerial skills already in use, and learn the skills required by administrators. Developmental training for middle managers should consist of additional managerial training, especially in the area of strategic planning and policy development.

Executives

Jumping to the organizational executives, one again sees a greater requirement for leadership skills. This type of leadership differs slightly from that required for the first line supervisor and deals more with “visionary” leadership--looking into the future, determining the direction the organization will go, and what actions will be needed to get there. According to Nahavandi (1997), “Leaders have long term and future-oriented perspectives, and provide a vision for their followers that looks beyond their immediate surroundings, managers have short-term perspectives and focus on routine issues within their own immediate departments or groups” (p. 10). Therefore, these individuals need leadership skills to determine and set the direction for the organization (i.e., establish the vision for the organization) and energize everyone within the organization to achieve the organization’s goals (i.e., aligning everyone behind that vision).

Obviously, managerial skills are not completely absent. Executives still become involved with some managerial tasks (i.e., budgeting, planning, and resourcing), however, not nearly as extensively as the lower level managers and administrators. Furthermore, the managerial skills acquired and developed throughout the middle manager and administrator levels are typically sufficient for those in executive positions.

Administrators

The executives develop the organization’s vision and pass it to the administrators to develop organizational policies which will achieve that vision. Therefore, being the first echelon from the top which develops the strategic plans, establishes budgets, and allocates resources, administrators are primarily involved with managerial type tasks. However, senior administrators need to begin developing their visionary leadership skills in preparation for advancement into the executive ranks.

In conclusion, the training required for an individual to be successful should not focus on skills required for the individual's current position, but rather on skills required to be successful at the next level position.

4.2 The steps from manager to a leader

First Steps

Where to start? Begin by discovering exactly what your convictions are. Clarify and codify for yourself what you believe in. Then, take a nice step back and see how those beliefs are playing out in the organization as it stands today.

Don't start with an organizational assessment based on the numbers or your opinions about others. This is not about "them." This is all about you.

Ask yourself:

- What is important to me? What are my values, beliefs, and ethics?
- How am I demonstrating those values, beliefs and ethics every day?
- Is the larger organization designed to support my values, beliefs and ethics?
- Where are the disconnects within my immediate organization and for myself with the larger enterprise?
- What can I do to change how I behave with my immediate organization to demonstrate my belief in them?
- What additional assistance do my employees need to succeed and how can I ensure that they get everything they need and more to create personal and organizational success?

Realistically, you'll go through this process not once, but many, many times. This is a periodic reality and cross-check to see how you're doing in your own context and, as you begin making changes, in the larger context.

Because, while you can and should expect yourself and your immediate organization to make changes, you cannot - and should not - expect the larger organization to immediately respond or follow suit. This is a personal journey designed to assist you in being more - and helping those whose lives you touch to be more. Give the organization time. It'll get there. It's just a little bit slow.

What's Next?

As you identify your convictions and begin aligning your behaviors with those convictions, you are going to need to take steps to build a collaborative culture based on where you're going.

To do that, seek input from your employees about what they need and what their dreams are for their jobs and the larger organization. (They have them, you

know). Talk to internal and external customers and suppliers about their needs. Find out what more and what else you can be and do to create success.

Enroll and engage in conversation and communication. Sit back. Listen. Take in as much as you can. Look for trends and themes. Find out where the possibilities are - the connects and disconnects that you can effect.

Be more. Be all those things you always believed about yourself - and usually bring to the rest of your life.

Leaders aren't made or born. Leadership is a choice - a belief in and commitment to everything that is good and noble.

Multiple functions, limited resources and conflicting demands for time and resources, require management. It involves setting priorities, establishing processes, overseeing the execution of tasks and measuring progress against expectations. Management is focused on the short term, ensuring that resources are expended and progress is made within time frames of days, weeks and months. Leadership, which deals with uncertainty, is focused on the long term. The effects of a policy decision to invest in staff development, for example, might never be objectively determined or, at best, might only be seen after many years.

The public sector develops a lot of good managers, but very few leaders. Government focuses too much on abstract or formal education, rather than experience.

Developing Leaders

Developing managers and leaders involves stages of understanding, not prescriptively, but conceptually.

Phase 1 is higher education or academic training that focuses on abstract learning, in which solutions to problems are provided in textbooks.

Phase 2 applies that abstract process to the actual workplace, in which there are often no right or wrong answers. This is the critical phase in which a future manager or leader develops the confidence to make decisions without knowing the right answers. This requires attempting tasks that are challenging, so that success will demonstrate competence.

Phase 3 involves social and political dimensions, as a performer moves from working independently to working with others as a supervisor or member of a product or process team. It is no longer enough to simply know the facts, since the process now includes others and involves subjectivity.

Phase 4 replaces simpler tasks that involve teams or small groups with complex tasks that involve independent, but often interrelated, large groups. In this pivotal stage, managers accept responsibility for things outside their expertise and rely on someone else to provide the facts. The manager may have more authority, but has become more dependent upon others. This might be the time to get more formal training, such as seminars or academic programs in management, to develop skills that weren't addressed in earlier education. There is no turning back after this transition from performing objective tasks to subjective decision-making and problem solving.

Phase 5 separates leaders from managers. The management role changes from maintaining an organization's values to creating them. Leaders establish the principles upon which their subordinates formulate policies.

Building on Strengths

Becoming a leader requires understanding oneself. There are many tools available, such as the Meyers Briggs profile, to help with that assessment. Recognizing personal characteristics is important in learning how to deal with others, recognizing strengths and weaknesses, and adopting an appropriate leadership style. An extrovert must learn to listen more and talk less. An introvert must speak up more and get heard. A manager who is more comfortable knowing all the details and giving explicit orders should not adopt a participative management style, but rather recognize the limitations of an authoritative style. Adopting a style that is inconsistent with one's personality not only creates stress but it often leads to failure.

Leaders also must understand their professional traits. One useful tool is the 360-degree feedback survey, which allows managers to get the perspectives of their bosses, peers and subordinates. Such a total view is valuable because managers tend to assess their behavior in terms of their intent, not the effect.

Why managers don't make the transition to leader?

- Overwhelmed!
- Need for control
- Too focused on operational and tactical issues
- Don't understand how
- Cannot get in . . .
- No clearly defined organizational path
- No real leaders in the company; Performance not good enough
- Don't want it!

Chapter 5

WHY THE MILITARY PRODUCES GREAT LEADERS?

First, in all services, military leadership qualities are formed in a progressive and sequential series of carefully planned training, educational, and experiential events—far more time-consuming and expensive than similar training in industry or government.

Secondly, military leaders tend to hold high levels of responsibility and authority at low levels of our organizations.

Finally, and perhaps most importantly, military leadership is based on a concept of duty, service, and self-sacrifice; we take an oath to that effect. We view our obligations to followers as a moral responsibility, defining leadership as placing follower needs before those of the leader, and we teach this value priority to junior leaders. Our leadership extends to caring for the families of our soldiers, sailors, airmen, or marines, especially when service members are deployed. When serving in crisis conditions where leadership influences the physical well being or survival of both the leader and the led—in *extremis* contexts—transactional sources of motivation (e.g. pay, rewards, or threat of punishment) become insufficient.

Why should a person be motivated by rewards when he might not live to enjoy them? Why would a person fear administrative punishment when compliance might lead to injury or death? Soldiers in such circumstances must be led in ways that inspire, rather than require, trust and confidence. When followers have trust and confidence in a charismatic leader, they are transformed into willing, rather than merely compliant, agents. In the lingo of leadership theorists, such influence is termed transformational leadership, and it is the dominant style of military leaders.

The best leadership—whether in peacetime or war—is borne as a conscientious obligation to serve. In many business environs it is difficult to inculcate a value set that makes leaders servants to their followers. In contrast, leaders who have operated in the crucibles common to military and other dangerous public service occupations tend to hold such values. Tie selflessness with the adaptive capacity, innovation, and flexibility demanded by dangerous contexts, and one can see the value of military leadership as a model for leaders in the private sector.

CONCLUSIONS

The leadership and the management are both important, they are ***two distinctive systems of action, both are necessary, and each seeks to do different things***. Organizations need both managers and leaders to succeed.

While there are charismatic, traditional, situational, appointed and functional leaders, there is only one type of manager.

In my opinion the difference between managers and leaders lies in the conceptions they hold, deep in the psyches, of chaos and order. Managers embrace process, seek stability and control, and instinctively try to resolve problems quickly - sometimes before they fully understand a problem's significance. Leaders, in contrast, tolerate chaos and lack of structure and are willing to delay closure in order to understand the issues more fully in this way, business leaders have much more in common with artists, scientists and other creative thinkers than they do with managers.

My opinion is a manager is needed for most middle and junior level jobs to work with junior workers, unskilled laborers and skilled workers; a leader is needed to guide managers and work with skilled workers and professionals. Managers are professionals, all they want to achieve is the organizational goals, while leaders are more than professionals, they are politicians, and all they want to achieve is the development of the whole enterprise.

While a manager talks every time about the importance of the organization to workers development, a leader talks every time about the importance of workers to the organization's development.

Organizations like working with effective managers, but workers love working with leaders.

When managers leave a team the team remains the same, but when leaders leave their team, the team can never be the same, because managers are managers, but no two leaders are the same.

In an increasingly competitive world, successful businesses need leaders, not managers, to handle the heat.

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**THE OFFICER'S COMPETENCE
AS MILITARY LEADER –
AN ESSENTIAL FACTOR IN THE SUCCESS OF THE
LEADERSHIP AND MILITARY ACTION**
LTC Valentin PÎRVUȚ

CONTENTS

Introduction

I. Officer's competence as military leader – specific aspects

1. The officer like manager, commander and leader
2. The military leader competence of the officer

II. Particularities of the success of the leadership and of military action

1. Efficiency and effectiveness in leadership and military action
2. Success in leadership and military action

III. The main aspects of the role of the officer's competence as military leader in achieving the success of the leadership and of military actions

Conclusions

References

The officer's competence as military leader

– An essential factor in the success of the leadership and military action

INTRODUCTION

In this study, we will use a synthetic approach of some considerable aspects, aspects that every commander has to take into consideration in order to be able to focus on creativity and pragmatism. From this perspective, we believe that our approach fills a gap in the research area of successful leadership and military action, and not auxiliary, the military organization.

The issue of primacy in the relationship between man and technical resources in the war - in general, and in making decisions act - in particular, is not new or unimportant, it continued to be bitterly discussed by military experts, and not by them only.

Man is indispensable when it comes to making decisions on the battlefield (a more complex environment than land, submarines, aviation and space stretches) where artificial intelligence is truly amazing. High technology is an extension, a prolongation, an extremely valuable aid for the human brain however, in this process of making decisions, it is clearly outmatched by human intelligence. So for a more realistic approach to the current and future warfare, we believe that specialists and researchers should take into account both man and technique. The two aspects are not mutually exclusive, but complete and reinforce each other, being in a complementary relationship.

Prefiguring the conduct of future warfare, military action - in general, the evolution of the military phenomena and the importance of leading it, occupied and continues to occupy a vast area of concern for many political analysts, scientists and military experts, covering the pages of many books, magazines, newspapers and being on the agenda of many meetings.

The future battle will take place in a multidimensional fluid space in which asymmetrical actions will take place characterized by mobility, flexibility, maneuverability, availability and decentralization, and one of the factors for success is undoubtedly the lead. To win, commanders will have to fully master the military actions and to quickly adapt to the new combat space.

Also in the future, management will be a combination between art and science, but we consider that the importance of art will increase, as military commanders must apply some principles, must analyze scenarios and act in situations that could not be predicted with certainty. "When you deal with the future ... is more important to have imagination and intuition than to be exactly one hundred percent." and when you forecast, it is better to make errors from great boldness than from too much caution appreciates Alvin Toffler.¹

Not many years ago, the emphasis had been on the commander and manager competences of the officer. This assumed that his subordinates know, can and will do, and with the need of only one good action plan, the orientation on the directions to follow and the order to trigger action. Based on this philosophy, of both management and military action success, the officer throws his subordinates into battle. But it is obvious that such an approach is outdated and, moreover, is not a fruitful one. If we look in the past, in the universal military history - from the beautiful period of humanities childhood till nowadays, the great military commanders, and also the younger ones, those who have had resounding successes, have done much more than that. They have resorted to actions and motivational behavior, have acted to influence their attitudes and manifestations, in order to be followed and get some results and military victories - the success of military action. Some were aware of their need, others sensed it, and others - simply applied them. In fact, they have assumed - consciously or not - the role of the commander. Today, due to emancipation of society, to the increasing level of education, the expansion of the cultural horizon and the increasing human capacity at a higher level the surrounding reality, to increase the chances of success of the military organization, it is absolutely necessary to shape officer's competence as military leader. It requires the officer to act on the emotions and the way of thinking of the subordinates. If in the past, the officer's lack of leadership competence significantly reduced the chances of victory - the chances of success - today, from the perspective of engaging people in action, in the context of developments in the military, the lack of these, is, often, fatal to the military organization.

Furthermore, due to the complexity of modern military phenomenon - when military organizations confront with extremely difficult and varied problems, with profound and expanded implications, their leadership can not be effective and, extremely hard, can

¹ Toffler A. - *Șocul viitorului*, Ed. Antet Lucman, București, 2000, pag.14

be successful, displaying it itself rigid and trying to resolve them by old methods of the commanders and, more recently, military managers. The need for flexibility, human approach, opening and attracting more and more subordinates in establishing and achieving objectives for obtaining success - is fiercer than ever.²

These were the main ideas from which I have started my approach - to see the extent to which, today, the military leading skills of the officer represents a key factor for the success and leadership of military action.

I. OFFICER'S COMPETENCE AS MILITARY LEADER – SPECIFIC ASPECTS

I.1. The officer like manager, commander and leader

We live in a world dominated by change. Technological, technical, economic, social and climatic developments have transformed the way of life and human action. Military, not only fits into this pattern –following the changing trend, but it's a part of the vanguard of change- affected areas, often being at the forefront and its power engine. Today, new technologies and ways of waging armed struggle govern the military action, calling for increased development of military competence, the generalization of high level military technology and modification of doctrines and methods of action, knowledge, dexterity and solid skills at all levels of the military organization, but especially the organization's management and military action. Here, the accumulation of knowledge and skills training needs more than ever, to be accompanied by character education, vision, moral values, cultural openness and a huge responsibility.

The commander, manager, leader-terms often used by many of the military, and not only, in current expressions when referring to an officer.

We believe that the officer, a factor with major impact upon the military organization, may influence the success, efficiency and performance of each subordinate in particular, of each structure and military organization as a whole - in times of peace, crisis or war.

To do this, from the perspective of successful management of military action, we strongly believe that the officer should benefit from three types of

² Zlate M. - *Leadership și management*, Ed. Polirom, București, 2004, pag.13

authority: the authority that gives him the position and rank – authority given especially by the commander competence; the authority conferred by held knowledge, abilities and technical skills – authority given especially by the manager competence; personality authority – the one that is ensured by the leaders military competence.

The military commander has the right not to justify and not to disclose to the subordinates all the reasons and the rationality of his decisions, based on compulsory execution of judgments, by the subordinates and their full subordination.

The military manager is the pro, who knows the technical and tactical aspects of all elements that affect its combat system, understands and uses the terrain adequate and communicates his knowledge to his subordinates through actions or interactions.

The officer – as a military leader, influences more and administrates less striving less to be boss, but without the total passing of moral values. He inspires and directs the organization in the right direction, has the ability to act on beliefs, values, attitudes, behavior or performance of subordinates to achieve a goal, is able to convince the subordinates and the associates to do everything they can, and more than that, to achieve a common goal in any situation – in time of peace, crisis or war.

Thus, leadership and military leaders act as key factors in the economy of the military leadership, important variables in the equation for the success of the organization and military action. So more than ever, nowadays there is an urgent need for leadership training and development of military competence (in addition to those of manager and commander) of military leaders.

It is thus envisaged, a reconsideration of theoretical assumptions and methodological approach to science education and military science of human behavior under conditions of imbalance, non-linear and discontinuous, with emphasis on the introduction of multi-criteria optimizations in the military leadership process.

In every industry, competence is an insurance condition for performance and efficiency³, being supported both by internal factors related to the

³ Marcus S. - *Competența didactică*, Ed. ALL Educational, București, 1999, pag.7

characteristics of the person performing the activity, but also by the external factors belonging the circumstances of the activity.

In general, it means the ability to appropriately resolve a problem, take appropriate decisions, to fulfill a mission or to practice a profession in good conditions with recognized results.

The military leader competence is not a one-dimensional concept, but relational, and can be defined as the relationship between the military commanders leading abilities and the characteristics of the military action. Dall'Alba and Sandberg argues that the person practicing a profession and the professional activity itself can't be studied separately, and professional skills can not be de-contextualized and defined as a list of human attributes, without reference to a professional context. The mentioned authors recommend an approach on the professional skills in a interpretative manner, up to "hearing individual voices"⁴, without resorting to templates and patterns of behavior generally considered valid.

1.2. The military leader competence of the officer

In all modern armies, the military officer is considered a military framework for a high educational level, manager / leader and with a conception role.⁵ The officers are military personnel with the highest level of training, graduates with bachelor of the military / civilian institutions of high learning, for training officers.

The capacities, skills and leadership abilities of the officer have established over time and continue to be a large and disputed research subject of specialists in the field of management. In fact, early theories of management (the personality theories) have been focused on the leader and its qualities.

The profession as officer is directly linked to the highest human values, and each officer must be sensitive to moral values, to show understanding and total

⁴ Dall'Alba G., Sandberg J. - *Educating for competence in professional practice*, in *Instructional Science*, nr. 24 (6), online: www.springerlink.com, 1996, pag. 414

⁵ Barbu V. - *Aspecte ale managementului resursei umane în Armata Franței*, în *Buletinul editat de DMRU, Tipografia Ministerului Apărării Naționale*, București, 1998, pag.71

adherence to them.⁶ They are essential to healthy and coherent functioning of the military organization. Consequently, results the obligation of the officer to instill and shape these attributes to their subordinates.

Today, there is no need for soldiers who blindly obey, but the need for people who are aware, rational, going off to do his duty, regardless of the risk involved. But the officer doesn't go to war alone. He must have the ability to shape and influence his subordinates, and in this manner, the competence of the military leader becomes absolutely necessary.

War, more than a clash of material forces, is a clash of wills and characters. Therefore, soldiers should have that moral force to help them withstand not only the brutal shock they are subjected to by the extremely harsh reality of the battlefield, but also a spirit and design confrontation.⁷ The moral force of an army is the synergetic result of all military personnel, but the officers are those responsible for training them (during peacetime), are those which set the tone, inspire, influence, focus, guide and release. They are the ones to build the state of mind needed to persuade the subordinates to do everything for the leader and for the mission set by them, even if it involves the supreme sacrifice.

One of the officer's fundamental roles is to make decisions. Uncertainty, fast action, precision and lethality of weapons, unprecedented risks and dangers that characterize the modern battlefield, often lead to situations where the organization's success depends on the accuracy and speed with which the officer makes decisions, as well as his energy and ability to make the subordinates believe strongly in them, with the will of making whatever it takes to translate them into action. The military manager does not operate easily in situations of uncertainty - he does not have the time and information necessary to apply his theories, the commander - would take decisions in a short time but the way to impose them to the subordinates would not have- by far, the transformative effect that a military leader has.

What gives the officer the military leader competence is his ability to convince his subordinates and associates to do whatever they can do, and

⁶ Cosma M. - *Ofițerul modern. Fundamente ale procesului de formare și specializare.*, Ed. Academiei Forțelor Terestre, Sibiu, 2005, pag.192

⁷ Cosma M. - *Formarea ofițerului modern. De la realitate la necesitate.*, Ed. Academiei Forțelor Terestre, Sibiu, 2006, pag.19

beyond this, to achieve a common goal. He must possess not only the qualities expected from his subordinates, but also those needed by the working group and the military organization, and also to be an example for them. For example, physical courage – which is a military quality (and not a quality specific to the military leader) that can not turn you into a military leader, but if you do not have it, you can not be a leader in the army. To be a military leader, it is necessary - but not enough, to embody the qualities that all subordinates must have, and also the ones specific in the military organization.

A particular problem of the military organization is that the evaluation of its functional level implying also the evaluation of leadership's effectiveness (practiced by military leaders) is accomplished in two different contexts: in times of peace and in times of crisis or war. As such, officers must master the ways to streamline the military actions as there they won't be used only in situations in which subordinates are prepared, but they have to be able to use them in those situations in which they prepare their subordinates - in the war.

The dilettantes might think that in the military - where the order and execution are fundamental elements to the functioning of the military organization, there is no need for further action (dialogue, personal example etc) from which subordinates can be influenced to perform some military actions. Things are not like that: the military leaders' steps to be followed, with the purpose of influencing the subordinates in the execution of actions, have a major impact on the ability to fight and upon the action effectiveness of the unit divisions and the military units.

Of course, the military oath requirements, laws and regulations are mandatory, can not be the object of discussion, and orders must be executed immediately and unconditionally. But in reality, there are countless situations in the military organization in times of peace, and especially in times of crisis and war, in which the commander must exploit the power - the ability to influence people, the quality of leader.

The history of our military action has proved that on the battlefield, the heads were those distinguished commanders who have strengthened the genius and science of leading in wars with the specific characteristics of leadership – which were those who had very well defined the military leader competence.⁸

⁸ Cosma M. - *Cercetarea în știința militară. O perspectivă istorică și metodologică.*, Ed. Universității "Lucian Blaga", Sibiu, 2006, pag.9

If in times of peace, in certain situations – generally speaking, the military organization could have success being led by managers, for obtaining success in war, in times of uncertainty, risk and extreme danger – in particular, the commanders competence and that of military leader are absolutely essential to the military commander. All these dimensions increase in significance and importance at the officer's level.

II. PARTICULARITIES OF THE SUCCESS OF THE LEADERSHIP AND OF MILITARY ACTION

Efficiency, effectiveness, success – these are some very popular words in the military current vocabulary. But, do these terms differ from one another, complete each other or are they in a neutral position? Very often, military actions are extremely complex and strenuous ones, actions in which the concepts of risk and danger are taken to the extremes. Who or what influences success? What is the relationship of success with effectiveness and efficiency from the military action conducting perspective?

II.1. Efficiency and effectiveness in leadership and military action

The efficiency of military conduct and that of military actions, the basic criteria in founding the objectives of a military organization, in practical actions undertaken at a tactical, strategic and operative level – during peace time (training, administrative issues etc.), crisis or war –, represent more and more the interest of military research.

The military action is a type of human action which due to the peculiarity of the military organization it has a specific way of training and development but, beside the common elements with other human actions – agent, purpose, object, means and finality, the military action is characterized by a sum of elements specific to the military environment or by some that manifest totally different in this domain: information, conflicting connection, distinct motivations, rejection and risk.⁹

⁹ Bădălan E., Arsenie V., Dumitru A. - *Tratat de tactică militară* (vol. 2), Ed. Academiei Forțelor Terestre, Sibiu, 2003, pag.166

Although through the constitutive elements of military action we also encounter common to all human actions elements, the interaction among them has parameters and traits specific to the military phenomena which imply a belligerent confrontation type too.

We consider the military action to be a specific human action developed by one or a couple of military or other agent – as a constitutive element of the action (i.e. : a plane without a pilot) and having as a finality achieving the purpose: attaining the established objective or the mission they were assigned with.

Obtaining success in the military action is a fundamental preoccupation of all the commanders and staff. This preoccupation comes in strong connection with the specific of the present-day and nearby future military action, the military analysts agree with the latter's having a joint character which means that all the categories of forces take part at the conflict and will perform in three environments: land, air and sea. If we were to add at these forces those cosmic ones of observation, control and communication we would have a complete perspective of the real dimension comprising all the environments in the joint action.

Military actions are performed in an extremely complex confrontation space characterized by: multidimensionality, transparency, dynamism, discontinuity, digitalization and automation. In spite of all these, although the technological superiority is necessary, it is not enough in order to obtain success – a permanent optimization of the man-doctrine-technique relationship being imposed. Many studies and works were released and as well as many discussions meant to fathom the theoretical aspects of the military action efficiency concept were debated, also the elaboration of some appreciation criteria of the latter, the revealing of means and ways of contributing to a rapid increase of military action and that of conduct's efficiency.

Efficiency is a very frequently encountered term in specialty literature and in the current economic vocabulary and, in its broadest sense, is defined as the achievement of a certain useful result through a human activity.

With this acceptance the efficiency finds its applicability – in specific forms – in the most different domains of the social. Subscribed to the military domain – fundamental for the national security –, the term expresses in a synthetic manner the relationship between the results of the activity and the means involved in the former.

The bigger the effectiveness for a unity of effort is, the bigger is the military effectiveness. Although at a first sight a comparison of the results (effects) with the efforts (costs) made in order to attain them seems relatively simple, at a more profound analysis of the effect-effort relationship a series of aspects concerning the overall appreciation of the military action efficiency should be taken into account.

Only by the means of taking into consideration the three aspects (human, material and value) and harmonizing them can we assure a high effectiveness in military organization action. Any exaggeration of this aspect or overestimation of one of them will bring to the apparition of contradictions having negative repercussions over the military organization development, the military action efficiency, the national security level and last but not least over its success.

Any intercession of the commander implies efforts and effects. The result of comparing the two is the efficiency to which is added the effectiveness which represents “the quality of producing the expected (positive) effect”¹⁰ given by the achievement of the leader to do what he has to do¹¹ – to accomplish his mission and to attain the established objective or the objectives.

II.2. Success in leadership and military action

Success represents “a good result of an action, achievement, victory”¹², “an achievement, triumph, performance obtained by a person or a group recognized by a collectivity”¹³.

As in any other profession, that of a military and moreover, of a military leader, has a purpose and a role which justify the orientation and the directions of action. In this case we are not talking about any type of domain, about the course of some processes or simple actions which more often would ensure a medium

¹⁰ *** - *DEX Dicționarul explicativ al limbii române* (ed. a II-a), Ed. Univers Enciclopedic, București, 1998, pag.332

¹¹ Cosma M. - *Formarea ofițerului modern. De la realitate la necesitate.*, Ed. Academiei Forțelor Terestre, Sibiu, 2006, pag.102

¹² *** *Mic dicționar encyclopedic*, Ed. Univers Enciclopedic, București, 2004 pag.1339

¹³ Zamfir C., Vlăsceanu L. - *Dicționar de sociologie*, Ed. Babel, București, 1998, pag.619

success. An officer is trained and educated so as to passionately believe in his over-normal limits success.

In its evolution, the concept of success of military leadership was understood in many different ways, determined by the knowledge of psychic particularities and performances – the psychological profile, personality traits, the intellectual, physical, educational and behavioral level of development of the leader.

Success is a moral necessity of the officer – the symbol of his personal value. He depends on the intellectual capacity of the military leader, on the achieved knowledge, on the command and management capacities, on his abilities of applying his knowledge and of using his capacities and last but not least on the quality of leader and military leader.

Due to its complexity, to the specific of the military action but also that of the extremely complex environment, the military organization is characterized by a variety of dimensions, some of them specific, others common to other organizations: human; technological and material, structural, normative, logistic, ecological and actional.

The military modern organizations, on the one hand, are presently preoccupied with modernizing the existent technique and on the other hand with achieving equipment, weapon systems and technology to ensure their superiority in any type of conflicts they may be involved into. The modern technique and armament, meaning the technical support of the combatants requires the latter to be theoretically and practically prepared, so as to deal with it not only effectively, but also efficiently. The high technology battle technique, equipment and armaments need to be used by professional in order to assure the maintaining and the use of these at the normal level of technical-tactical parameters. Moreover, the most modern battle technique represents no value if the personnel in charge of it does not have enough time to get familiar with it and to operate with it, does not have a model to inspire it, to make it aware of the fact that it has to opt for a set of classical moral values, to determine its enthusiasm and trust in the necessity, correctitude, justice and success of a military action unless it is adequately professionally and financially motivated to be an exceptional fighter. Altogether, the costs generated by the modern battle means are big enough not to be let operated by amateurs. This is the reason for which in the entire world the endowment of military organizations with modern battle technique was

simultaneously to the professionalizing of personnel and their training as commanders, so as to be capable of leading and developing military actions in the actual provocations context.¹⁴

Thus, war becomes a confrontation among professional and the real time command will make of the response speed of military systems a decisive step.

The informational opportunity and consequently, the rapidity and quality of military decision supported by an authentic military leadership complete most of the times the lack of forces and means. Although the modernization of endowment has an extremely important role in military organization success not less important is the endowment of human resource so as to rise at the expectations of modern battlefield. However, we wonder if we really need to give so much attention to this aspect once the existence of high-tech equipment and the endowment with technique and armament. The answer will always be a positive one because wars have as a source the people and their involvement and not machinery. This idea is also supported by the American general J. Sutherland who claims in the introduction part of *The Battle Book* (2001) that: "The digitalization and equipment make progress rapidly in the general tempo of the modern battle. Despite all these rapid and big progresses which shuttered the battlefield, commanders will still dominates the field. Human beings wage a war against others not machinery and computers".

The hostilities of the future battlefield represent not only a confrontation of means and forces (of material nature), but also one of human intelligence (of spiritual nature) which give the military actions dynamism, violence, willingness and determination.

Success in military action represents a matter of will, of the capacity of surpassing the obstacles, of assuming risks, of confronting perils, of eliminating the artificial barriers etc.

In its functionality, the success of a military organization is presented as a multiform, complex interaction of manifold factors, the level of results depending on their quality, functionality and interaction among them.

¹⁴ Duțu P., Moștofleu C., Sarcinschi A. - *Profesionalizarea Armatei României în contextul integrării în N.A.T.O.*, în *Anuarul Hominis* (CD-ROM), Ed. Universității Naționale de Apărare, București, 2003, pag.44

This makes us believe that the success of a military organization command and of the organization itself depends on the nature and action of the factors involved as well as on the understanding and the correct approach of the concepts and implications subscribing to it with the possibility of being explained by the means of an analysis of these variables.

The officer (as a leader) thinks about the future actions' success as to activities with great achievements compared to a series of criteria imposed by the doctrine and the superior echelon.

We consider the basic prerequisites of the military command success to be the following: efficiency and opportunity; continuity, even in unpredictable situations when the system is seriously affected, firmness, ability and persuasion; flexibility and versatility; simplicity in organizing and realizing the military actions; cooperation; great analysis capacity; variety in analyzing and unity in conception and action; credibility; increased self-control capacity; permanent creativity and elimination of routine, patterns and layouts.

The factors of success of a military action are: the commander, the subordinates, technology, doctrine and other (situational) factors.

Therefore, the success of leading an organization and a military action is the result of an assembly of factors, each and every of them contributing variably and dependent on their nature and functional relationships among them. The factors interact among them, each and every of them having a complementary role, supplying voids or quite rarely, creating difficulties in other's actions. The influence of every factor is temporally modified as it modifies itself and models under the continuous influence of the others. For example, internal factors model themselves under the influence of external ones which change as an effect of the measures taken for their permanent improvement.

To conclude with, the responsibility of a military commander claims performance not only in the effectiveness domain, but also in efficiency's domain too. However, although efficiency is important, the lack of effectiveness can not be balanced by any other high level performance. Effectiveness represents the key to success of a military organization, command and action and its long-term viability.

III. THE MAIN ASPECTS OF THE ROLE OF THE OFFICER'S COMPETENCE AS MILITARY LEADER IN ACHIEVING THE SUCCESS OF THE LEADERSHIP AND OF MILITARY ACTIONS

The military leader must have, generate, transmit and form a real and powerful way of thinking and feeling oriented towards success to his subordinates, must attract and ensure the participation of the human factor at all levels to achieve this success, high efficiency, effectiveness and even more, at achieving performance.

As we have seen, success represents an effective action, with effects that exceed the ordinary. In practice, this is thought as success: all the results of the activity that have a maximum level, indicating the degree to which individual and collective achievements raises. If success in the military in times of peace is expressed by measures belonging to a standardized scale, in crisis and war success is expressed by measures, in general relative ones, belonging to more or less standardized scales. Specifically, if in times of peace every military unit, and more, each military action, is judged by well-defined indicators - such as military training, intervention, administrative activities, etc., it is not always the case in times of crisis and war. A relevant example is the very different findings, contradictory, even those referring to the results of the coalition in Iraq and Afghanistan. While some consider them to be a success, others consider them as a real failure. Why? Who is right? We believe that both sides, but in the analysis that I am elaborating, each one reports itself to different reference marks.

Both competence and success are the result of knowledge, skills, abilities, capabilities, dexterities and character. But, while competence lies in those listed above, success can only be obtained by implementing them, in fact, from the application of competence.

Success is a function of competence; it is only one of the equation variables for success. The concept of the military leader's competence involves, in addition to the competence of manager and military commander, the one of the military leader. The military chief's competence is the synergic result of manager, commander and military leader competence.

When analyzing the success or failure in the management of military action it is important to understand that success depends on the competence and professionalized performance of the military chief who, in turn, result from the

interaction of individual and situational variables. Often, to achieve success on the battlefield, the military chief should not get a combination of all variables but, depending on the situation, he must identify those with have a major influence.

Along with motivational factors, emotion is a component that can influence success, in a favorable, as well as unfavorable sense. In practicing the profession of military chief, emotion is particularly rich in meaning, generating a favorable attitude towards the mission of the military unit and mobilization missions of the subordinates for obtaining success. However, emotional excess harms the success of the military action, because when emotion is amplified, reason loses ground. The leader is an intelligent man, and leadership competence is a key factor in managing emotion and, consequently, in obtaining success.

The leader is the one who anticipates the enemies intentions and actions (often cunning), which is expects uncertainties (and it's not afraid of them, nay, even now, it's his own environment), expects that the enemy does not always follow his doctrine or not to act as concluded from the information's interpretations of scouting conclude.

By its essence, the military leader profession is lying huge and numerous amounts of risks and dangers. In the military field, more than in other areas of social life, it can not be determined with certainty the development of future situations, not knowing precisely if the initiated action will be fully successful or it will be just partially filled with success. Military chiefs face both the decision risk issue – in case of adopting and executing a decision, as with the acting one - which expresses the possibility of appearance of less controllable factors and circumstances, or, adverse and uncontrollable ones.

Naturally, in any field except the military, risk can not be upheld in all circumstances, not even in the field of theoretical knowledge, if it can result in negative consequences. The military environment, however, requires leaders with real military leadership qualities, which for obtaining success, can take risks and may face threats, managing to transmit this to the subordinates. Here, the approach of risk is fundamentally distinct. There can be nothing without risk. It is ubiquitous in military action.

This makes the profession of a military chief to be very stressful. He influences the work environment, the quality of decisions and not alternative, the chiefs health. The military environment is often characterized by changing situations, constantly being needed to interpret situations in a short time, to

accumulate knowledge and to form your skills and abilities and to be able to act. The competence of military leading - in this frame: self-control and management of emotions, confers the leader the capacity to diminish tress (distress) - individually and collectively, and to maintain it within the limits desired (estruses) - as a motivating factor, significantly increasing the chances of success.

As a leader, the officer is identified with the organization he leads, however, not at the expense of commitment of achieving the common goal. He can be tough and demanding, but never is he relentless and ruthless - only with him. This means human character, and these, care and trust in the subordinates are fundamental in the relationships between humans, attracting respect, earning trust and commitment, factors that potentiate the ability of the military organization to achieve the desired success.

Successful military leaders get superior performance because they have the necessary skills and competencies, not just in training, tactics, operational art and strategy, but also in the relations they have with their subordinates - the staff inside, and with the associates, comrades from other structures, allies, etc. - outsiders. Furthermore, in order to lead effectively, while maintaining positive and constructive relationships with the subordinates, the military leader is prepared to look at the people in human terms - as beings with problems, fears, doubts, complexes, inhibitions, misconceptions, bad experiences, weaknesses etc...

The officer - a military leader, is always looking to maintain contact with the subordinates, approaches them, is interested in their views and concerns, always seeking to avoid isolation. He always listens to his people, gives them importance and prevents bad affairs between them to exceed or between them and management. He permanently acts to transform his subordinates from simply executing orders to partners, making them realize this transformation.

Consequently, the military leader profession is rarely successful, unless applied to all the subordinates, giving priority to human relations. He must know very well his subordinates to use them very effectively, to train, motivate, provide value and create a conducive work environment for the initiative, creativity, efficiency, performance and success. Understanding people and treating them as such is a necessary condition for successful leadership and military action.

The officer - as military leader, has a direct relationship with each member of his team and with the organization as a whole. These relationships are different, because people are different. What is common to all subordinates, is the

tender attitude expressed by caring concern for their health, living and struggle conditions and not least the willingness to listen to their problems - including personal ones, and helping to solve them. This behavior increases the confidence in the leader and the subordinates' adherence towards him.

The ability to determine the subordinate to work with you and for you, to make them operate with the purpose of achieving common goals, of the military organization, is essential for a successful military action. The military leader determines his subordinates to use their intellectual and physical availabilities to their full potential for obtaining success.

Action and obtaining success in a turbulent environment, highly changeable, hard to predict, dangerous and often deadly, requires an increased forecasting and creative side and the adaptability of the chief and his subordinates to new situations.

The military leader has a strong influence on the subordinates' morale, and consequently on all the characteristics of the structure he is leading, an essential aspect in achieving success.

The leader is human. He has healthy moral values, loves his subordinates and gains their trust. This is a fundamental factor to the success of leadership and military action. Earning their trust, the subordinates know that he cares for them and will not ask them to do something without a real reason, well-founded. If the leader asks them to perform something, if an assignment is given, regardless of the situation – in times of peace, crisis, military stability and support operations, and war - the subordinates know that their mission is necessary and are able to sacrifice for its fulfillment. Trust is the basic glue of leadership and has to be developed all the time, it is an important stone in the foundation of successful leadership and military action - and not only, and the leader knows this and acts accordingly.

He is concerned about the general state of his subordinates with close behavior towards them inquiring of their troubles and praising them when appropriate, and their outputs. His efforts are not confined to words but also have a practice dimension, in the direction of solving the demands of subordinates. Also, he strives to meet the needs of those whom he leads, to make their life better, more enjoyable - within the legal framework, while increasing their involvement in tasks and obtained performance.

An authentic military leader influences his subordinates, not by force, by dry orders, impersonal and cold, but through the formation of beliefs. These, as motivational structures represent ideas deeply implanted in the structure of personality, strong experienced emotional, which pushes, impulses to action. He aims to change way of thinking of his subordinates through capacity development and motivation to action, to achieve success.

He is capable to withstand the uncertainty and demonstrates patience in waiting for the right moment for action. He has a great power of persuasion, effectively using personal example, persuasive communication - by convincing arguments, and expressing strong point of views. He speaks from a strong inner conviction, knowing how to inspire enthusiasm towards his ideas and decisions. He does not impose his point of view by stressing formal pressures, authority, the appeal of his position of power etc, but by persuasion, discussion, arguments and, above all, a vision that inspires enthusiasm.

The military leader encourages the subordinates' initiative, awakening their interest for a purpose and allowing them to use their own judgment in solving missions. He has confidence in the good judgment of subordinate leaders, knowing that they will act according to his conception.

He has the ability to foresee correct the results (forecast), he anticipates problems, he is not taken by surprise and makes plans for their resolution.

He maintains cohesion of the structure that leads, resolving conflicts that appear in the proper moment. He is watching that all the subordinates perceive themselves as a single team, adhering to the same vision having consonant goals.

The competence of leader helps the officer to form and to ensure the cohesion of the subordinates and their action as a team, in strong connection and in an efficient and constructive manner, leading to increased chances of success in their actions. It also helps an officer to induce a high level of optimism among subordinates, who are guided by his leader virtues. Moreover, it assures him own confidence, increasing the willingness of the subordinates to pursue more active the direction indicated by the leader, helps develop new leaders - transferring the officers' visions and goals to the rest, even when he is not present (physically) -

which leads to influence subordinates in a constructive manner and not alternative, to increase their chances of success in their actions¹⁵.

The military leader obtains adhesion, commitment and strong loyalty from subordinates, which allows him to exert a strong influence on them.

The officer who has the competence of a military leader multiplies his power, forming other military leaders capable of exercising leadership at all levels of the structure that they lead. Thus, his vision, ideas, courage and spirit in the organization are omnipresent. In conclusion, the military leader is also a leader of other leaders. He constantly supervises the training and development of other leaders who can think, and act according to the model offered by him. He knows that nobody is irreplaceable, he is aware that something unexpected can happen at any time, that can get him out of combat, out of action and then, there has to be someone else to carry out and accomplish the mission. One of them will assume responsibility of leading the structure when the military leader will return from the battle on his shield. On the other hand, the leader knows that he can not be omnipotent and omnipresent. So, he forms other leaders, multiplies, which significantly increases the chances for success of the structure he leads.

When he gives them an order, the military leader points out the way in which he wants it to be fulfilled, he acknowledges them about the necessity and importance of it, he provokes and trains them in action. The confidences with which the military leader endorse his subordinates are converted into confidence, dedication and willingness to do whatever they can to fulfill their mission.

When they succeed, they know that they will receive thanks for their effort, and the risk assumed, that they will be praised by the leader - recognizing their merits. If they fail, the leader continues to endorse them with confidence - knowing that they have done everything humanly possible, he advises and trains them to do better and to succeed next time. But the military leader can not resume only motivating them with just words. No matter how nice it would be required, or compelling, or persuasive discussions may be with the subordinates, he would not stop there. The example the military leader gives, is at least as important as what he says. He leads by being at the forefront of the subordinates, risks and exposes himself to dangers along with them, is always where the action takes place and,

¹⁵ Cosma M. - *Formarea ofițerului modern. De la realitate la necesitate.*, Ed. Academiei Forțelor Terestre, Sibiu, 2006, pag.35

moreover, where it is more difficult. The leader is where he is needed and does whatever he can to improve everything he has in trust and to accomplish it too. If he hadn't done this he wouldn't have been be a leader.

Military leaders with leading competence, offer something beyond the formal authority given by the manager and commander: the personal example, idealized influence and informal authority. Subordinates see in him, the human face of the system, the man who embodies the military commitment to be always ready for battle, sacrifice and caring for its people.

By personal example, the officer creates the spirit of team, where all soldiers are concerned and care for each other, because on the battlefield there are often situations where the soldiers' life depends on the reaction of his comrades.

In the context of modern warfare, the military leading competence of the military chief is fundamental in obtaining success. The set of ethical and moral traits potentiates his ability to meet the demands of conflicts and crises that will arise in the future world.¹⁶

Thus, these enables the leader to adapt quickly and to be effective on the fund of huge psychological pressure caused by the risks and dangers of the modern battlefield, the speed, power and precision of many destructive factors, from the various and sudden changes that occur in carrying out military actions. Self-control, ambition, foresight, inspiration, creativity, innovation, adaptability and perseverance of the military leader are traits that allow him to keep emotional balance and to induce this state to his subordinates, to identify the correct course and to navigate accurately in the desired direction - success. Also, initiative, determination, firmness, tenacity and steadfastness determines the leader and those who follow him to keep their enthusiasm, determination, positive attitude, regardless of obstacles, not to abandon the mission, pursuing with heart the achievement of success.

At the same time, all the ethical and moral values of the leader provides a strong cohesion within the structure that he leads - among subordinates, between the leader and subordinates and vice versa. Characteristics such as integrity, responsibility, loyalty, trust and fellowship is the foundation of creating a unit,

¹⁶ Cosma M. - *Formarea ofițerului modern. De la realitate la necesitate.*, Ed. Academiei Forțelor Terestre, Sibiu, 2006, pag.47

solidarity and raising principles - all for one and one for all, always together - at the rank of religion.

There are several qualities which represent the hallmark of exceptional leaders and which are most often cited in studies on effective leaders: intelligence, integrity, adaptability, professionalism, responsibility, loyalty, fairness, enthusiasm, warmth, welcoming attitude, spiritual opening, progressive thinking and courage.

Integrity is defined as being the quality that makes people trust you, and trust is vital in all interpersonal relations. Responsibility, as a necessary quality, which no leader could commit to a task, and loyalty is his noblest quality, the basis for trust, with manifestation toward, both the commanders, and the subordinates. Enthusiasm is what determines a positive attitude and, and these are associated with the idea of leadership. Warmth represents love for the one closest to you, the desire to do well - in general. As the first victim of a violent emotion (often experienced on the battlefield) is ration, leading his subordinates not to disaster but to victory, it is imperative for the military leader to be calm in crisis situations.

Military leaders from all times have faced with serious challenges in which concerns the achievement of permanent cooperation, active and flexible between combat units on the fund of huge tensions that arise during the conduct of military actions. Being characterized by self-control, awareness, teamwork, realism, the spirit of negotiation and empathy, the military leader surmounts more easily the difficulties created by the need for cooperation.

The leader stimulates creative thinking among team members and in the organization- at all levels – which leads to increased performance and efficiency, finding new ways, techniques and procedures of action for carrying out missions.

He accepts change, wants and determines it, using it as an advantage in achieving success: the change of the situation and subordinates, etc. The most difficult change the military has to make is that of the human resource. On the one hand, the officer - as military leader, seeks to change attitudes, and thus the behavior of the subordinates for the reason of engaging them into the task, for increasing performance and efficiency of the structure on the battlefield, and on the other hand, he prepares the subordinates not to significantly change their attitudes and behaviors to different unexpected eruptions present in the combat zone. Furthermore, whereas during the actions, soldiers are often placed in extreme situations - situations in which they are harshly tested, it is desirable for

the officer-military leader that in the act of influencing and forming beliefs, attitudes and behaviors of the subordinates, to urge to emotions on a large scale, acting mainly on the emotional component.

Experts have shown that attitudes and behaviors influence each other. So if the military leader succeeds to determine his subordinates to change what they usually do, eventually he will be able to obtain the desired attitude and behavior from them, significantly increasing the structures chances of success.

The military leader remains calm and acts with firmness in the face of danger or criticism whatsoever. Mastering emotions, courage and self-confidence on own forces and those of his subordinates facilitate this behavior. The leader is characterized by responsibility, an essential quality for the success of military actions, because the decision involves responsibility, the leader having great implications upon the military structures and the lives of the subordinates. Through decision, the leader faces rationally and justified specific threats of armed conflict, then transmits it to his subordinates, assuming full responsibility for its consequences. The leader has a greater ability to decide quickly, without hesitation, without bargain, and this is fundamental to the success of the command and military action.

The morale expresses the peoples mood for action, directly and significantly influencing the capacity of action (to fight) of the individual and the military structure. As a result, combat capacity is directly proportional to the level of morale, no matter that it involves a military or a military structure. In the military, the morale is an important factor which conditions the strength and cohesion of the army, the conduction and outcome of war¹⁷. The military leader is characterized by positive attitudes and high morale - a very important aspect from the perspective of the fact that the leaders' moral is transmitted to the subordinates, significantly influencing their behavior. While a fighter's morale influences more or less the moral and behavior of other fighters, the morale of the military leader, surely, affects the morale of all subordinates.

At the level of military sub-units it is stated that, sometimes in similar situations, groups alike by composition and the tasks to be executed, obtain different performances and the atmosphere within these groups is different, and these differences are due to both the organizational capacity and action of each

¹⁷ *** - *Lexiconul military*, Ed. Militară, București, 1980, pag.452

unit or subunit, professionalism of their members, and not alternative, and on the military leader.¹⁸

In exercising command, the leader needs to present himself as an optimistic person, confident in his own forces and those of his subordinates. He must not have an authoritarian attitude, should not be a tyrant, impetuous and impulsive or aggressive, on the contrary he wants an obedience based on good will to be the internal coordinator which stimulates and supports behavior. Punishment in this situation is not penalty, but the loss of the leaders' appreciation and trust.

From this perspective, the military leader - as the leading military officer:

- provides effective leadership through participation, communication and incentives to all subordinates;
- performs a relaxed atmosphere, stimulating, cooperative by modeling leaders from lower levels and the other subordinates;
- practices and encourages liberty of action, initiative and creativity for the implementation of own concepts;
- ensures satisfaction and success and the cultivation of success as ways of impulse and stimulate enthusiasm and maintenance of the desire to do your job and succeed;
- generates the need for recognition to be appreciated and win prestige, honor and military glory;
- has the ability to twig the essence and to intuit the futures meaning, to see beyond what is seen, the audacity to hope, to dream and make the subordinates to believe in his dream, even if it mean making them have the same dream.

Based on these assumptions we find that, both in past and in present, modern leadership are one of the main factors that can make the difference between the subunits. That is why the issue of effectiveness and efficiency of action leadership is an actual problem for the Romanian military organization, taking into account the situations we are currently facing (reform, change) or may face in the future.

¹⁸ Cosma M. - *Formarea ofițerului modern. De la realitate la necesitate.*, Ed. Academiei Forțelor Terestre, Sibiu, 2006, pag.156

So, the competence of military leader of the military organization commander is a key factor in the success of the organization's leadership and military action. The leader develops and conceptualizes the vision and goals of the organization, influences the subordinates to accomplish the mission, prepares teams, forms unit spirit, assures dynamicity of the structure he leads, allows a greater organizational flexibility and responsiveness to environmental changes, increasing group cohesion and stability with particular focus on the needs of the subordinates.

CONCLUSIONS

The analysis conducted in this study, has led us to the conclusion that that, to be successful, the military organization must have, in addition to high technology and weapons, structure and doctrine, a staff of value, led by elite officers – true military leaders, capable to form new leaders for all levels of command, with vision, and ensures the triumph of the organization not only in the present, but also in the future.

The conducted scientific approaches and the practical human activity highlight the fact that organizations and groups, especially the military, need leaders. Thus, in times of peace, an army that has a commander and has good managers can fulfill its mission, but in times of war it cannot do this successfully without leaders.

Nowadays, because of the complexity never seen before on the battlefield, and the unparalleled diversification of the missions, only a good management or a competent order exercised by the officers are no longer sufficient. There is a desperate need of leaders' at all hierarchical levels, to transform the organizational culture and increase the efficiency of the military organization. The military leader is considered the person who obtains outstanding results with certain efficiency in any field of activity, regardless the obstacles he faces.

For the military leader, failure is not an alternative - never accepting defeat, even when the situation is critical. On the battlefield, often, failure means death. The military leader is never reconciled with this idea, in worst cases - accepting only to postpone the moment of obtaining success, but never failure. He always seeks an opportunity, as small as it can be, to succeed; he finds it and gives to his subordinates hope, confidence, enthusiasm and strength to act for a cause which

most people considered it to be lost. Success is his religion. Sometimes weary, but never defeated, he exudes a desire to succeed. The military leader inspires and helps his subordinates not only in the matter of escaping with life but, first, how to come alive and how to succeed. He makes dreams, stories, hopes, and even the impossible come true.

Regardless the situation, the military leader has the courage and the capacity to transmit it to the subordinates - to face danger, to face those many and powerful, and if required to take everything from them, and give nothing to his enemies. He is trained for combat and to lead his subordinates to victory, motivated and passionate for battle, duty and military success.

The military leaders spirit and are communicated in a natural way those who follow him. The leader sets the tone in an organization, and to accomplish his goals, he develops a strong determination to achieve them. This strong decision creates a high morale and spirit among the subordinates, and allows the leader to engage both personal power and management to obtain success. The officer uses this power to guide and control the efforts of those who follow him.

Achieving success requires strength, determination and unwavering decision, energy, accountability and taking decisions, skills, abilities and capabilities which resides from the competence of being a leader. For the officer, military leadership is more a responsibility (obligation), rather than an authority (a right), and its greatest responsibility is to decide and influence his subordinates to follow the decision, with a tremendous desire for success.

In addition, the military leaders' actions become an example for the actions of the subordinates, which make it crucial for the success or failure of his structure.

As love gives life a meaning, often being a fundamental factor of happiness, the military leader gives meaning to the leading process and the military action, being an essential factor in their success. In difficult moments, of disbelief, when the situation is not favorable, the officer - as military leader, is the hand in which stands success or failure, the one that makes the difference between life and death. In moments of disbelief, anguish, despair, the military leader is the one who brings hope and emotional stability. He is able to face death – he was trained only for this sort of things, and determines the subordinates to do the same. And they - the subordinates, do so: for they wear their country's uniform, and the folds of their flag, because he tells them to do so - the officer, the military leader –the

one they trust, who inspires them, which brings gives them courage, the one they follow until the end.

And that is way, we consider that the leader's competence as being very important and crucial to the model of modern officer, in the current and future context of the military phenomenon.

The military organization's success depends on many factors, but no less important is the impact of the military leader. When talking about the training attribute or coordination of the manager, it is inevitably referring to the military leader. When it comes to communication strategies in the organization, regardless of its nature, but even more prominent in the military organization, leadership competence is mentioned again. Developing interpersonal relationships based on trust and cooperation is strongly related to the leader and the point of departure in formulating differential policies to motivate the subordinates is still the leader.

So, our short analysis reveals the fact that the military success depends not only on the intellectual skills, organizational and technical aspects of the manager, but also on his military leader competence.

The evident and persuasive conclusion is that: to form and apply the officer's competence as military leader, is not only important and necessary, but it is crucial for the success of the military organization, especially nowadays, according to the accelerated changes in the modern military phenomenon.

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THE DEVELOPMENT OF MILITARY CAPABILITIES WITHIN THE EU: A VIEW OF A PRACTITIONER

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CONTENTS

Executive summary

Introduction to CSDP

I. Chapter 1 - - The development of military capabilities within the EU: LOA, actors and roles, process

1. Section 1 - Understanding the EU military capability development
2. Section 2 - From HLG 2003 to the EU Capability Development beyond 2010
3. Section 3 - The process, its main actors and their respective roles
 - 3.1 – The CDM: the initial EU approach to capability development (*the bottom up approach*)
 - 3.2 – The CDP: shifting [some] responsibilities to the EU institutions and agencies (*the top down approach*)
4. Section 4 - Pooling and sharing of capabilities: the new kid on the EU block

II. Chapter 2 - Developing military capabilities for the EU: an inside view

1. Section 1 - The EUMC and the EUMS: putting the bottom up approach at work
2. Section 2 - The EDA: a new game is in town
3. Section 3 - Pooling and sharing: is it enough?
4. Section 4 – A partial set of recommendations

Instead of conclusions: what capabilities for what EU?

References

Annex 1 – The EU Capability Development Process

Annex 2– The EU Capability Development Plan

EXECUTIVE SUMMARY

This paper aims at providing synthetic descriptions, considerations and personal assessments and evaluations, as well as possible recommendations on the development of military capabilities within the EU.

In terms of scope, both the institutional set up and the overall picture of EU military capability development process are presented with a focus on the latter.

After a short introduction to the ESDP/CSDP proper, the development of military capabilities within the EU is dealt with in chapter 1 in terms of LOA, actors and roles, as well as the associated process.

The respective roles of the EUMC, EUMS and EDA are then analyzed through the lenses of a former member of the EUMS, embodied by the author of this paper.

Finally, a short evaluation of the state of play and some recommendations on the future of the EU military capability development are presented based on the personal views of the author and influenced by his background and convictions on this particular actor of the international stage.

INTRODUCTION TO CSDP

As one may be aware, since the establishment of the EU, back in the 1950s (initially in the form of a European Economic Community - EEC), the topic of a genuine European defense has been a *de facto* taboo for most of the period until 1999¹. Quite surprisingly the European Security and Defense Policy – ESDP (re-named Common Security and Defense Policy – CSDP after the Treaty of Lisbon entered into force in December 2009)² has emerged in the past 12 years or so as the spearhead of the EU's foreign policy and a major asset in its respective policy toolbox.

With more 20 military operations and civilian missions on most continents, after a rather shy start in 2003, the EU made a huge leap forward in terms of asserting its identity on the international stage backed up by credible military and civilian capabilities.

Following the Franco-British agreement at their summit in December 1998, in Saint-Malo, the CSDP was launched at the successive EU summits in Cologne and Helsinki, in June and December 1999 respectively. A short description of the EU goals in the field of security and defense, with a clear focus on endowing the Union

¹ Keukeleire, S., in Bindi, F. (ed.), *The Foreign Policy of the EU. Assessing Europe's Role in the World*, Brookings Institution Press, Washington, D.C, 2010, p. 51.

² For the sake of simplicity, the term CSDP will be used to define both ESDP and CSDP, irrespective of the moment in the evolution of this policy dealt with.

with the right mix of capabilities able to back a sound decision making process aiming to find the most appropriate answers to international crises in the world, is to be provided for in section 2 of chapter 1.

More than a decade later, it is worth ascertaining the way Europeans managed to develop the various capabilities needed to strengthen the CSDP.

Consequently, without focusing too much on the evolution of CSDP as such, the intent is to analyze the way the Union has managed to develop capabilities and to a lesser intent whether the process is heading into the right direction.

I. CHAPTER 1 - The development of military capabilities within the EU: LOA, actors and roles, process

1. Section 1 - Understanding the EU military capability development

Although the term and concept of capability is not easy to grasp, at least a definition of it should be provided in order to structure the process of analysis in the field of capability development.

While no widely agreed definition of the term is in place, there are several attempts to do so within the European Union (EU).

As a working definition, at the level of the EU Military Staff (EUMS), a capability is defined as *“the ability to achieve an operational effect, within a specified timeframe and to maintain that effect for a pre-defined period of time. It is a multidimensional concept that consists of several lines of development (or nature of a capability), among which one could mention: manpower, equipment, doctrine / procedures, readiness, deployability, sustainability, interoperability, performance”*³.

At the same time, the other important exponent of capability development within the EU, the European Defense Agency (EDA), issued another working definition of a capability, as representing the result of a interlinked process based on three main factors: will (the morale component), means (the hardware) and ways (the conceptual side) ⁴:

$$\text{Capability} = \text{Will} \times \text{Means} \times \text{Ways}$$

³ Source <http://consilium.europa.eu/eeas/security-defence/capabilities?lang=en>.

⁴ Source <http://eda.europa.eu>.

By combining the two above mentioned definitions one could actually have a quite accurate picture on the meaning of a capability.

Before starting to dig into the EU military capability development, it is worth providing an introduction into this process, at least in broad terms. Basically, out of the previous experience of the author of this paper it resulted that the process consisted of three main mutually reinforcing stages: (1) identifying the EU requirements to achieve the established level of ambition (LOA) as well as compiling and analyzing Member States (MS) commitments to meet them; (2) identifying the capability shortfalls in various areas of concern and monitoring progress (these first two stages constitutes the capability or strategic planning proper); and (3) addressing identified areas of concern, by developing new and / or improving existing capabilities (management of capability shortfalls).

The framework for the EU capability development is defined by political and strategic guidance expressing the political ambition of the Union, crisis management tasks the EU wants to be able to fulfill, the military level of ambition, the voluntary contributions of the MS and priority areas for capability development, derived via an internal analysis and evaluation process⁵.

Furthermore, following guidance received in this respect from the Council, in conjunction with lessons identified in operations, elements of prospective analysis and MS plans and programs trends are derived for the short, medium and longer term, with capability shortfalls in areas of concern are identified and prioritized.

While the main actors in relation to the first steps are the EU Military Committee (EUMC) and EUMS, the balance is tipping in favor of the EDA as the main coordinator of the so called Capability Development Plan (CDP). The latter provides MS with a solid picture and assessment of capability trends and requirements in order to inform national decision making on defense investments.

This is the moment when the identification of areas for cooperation and / or collaboration to develop common solutions takes place. These are covering various lines of development of a capability, as mentioned above: concepts, harmonization of operational requirements, conducting research, improving or developing new pieces of equipment, training...

But probably the most important aspect in this respect is that MS bear almost full responsibility for the development of military capabilities with a view to improve

⁵ Source <http://consilium.europa.eu/eeas/security-defence/capabilities?lang=en>.

the EU's ability to fulfill its LOA, focusing on the identified capability shortfalls in various areas of concern.

2. Section 2 - From HLG 2003 to the EU Capability Development beyond 2010

The launching of the CSDP, back in 1998, aimed at endowing the Union with both decision making structures as well as credible capabilities, civil and military ones, to be used to manage international crises around the globe.

Although the starting point of CSDP was in 1998 during Franco-British summit in Saint-Malo, the actual birth certificate of this policy was in December 1999, at the Helsinki European Council, when the EU set a military target known as the Helsinki Headline Goal with a 2003 time horizon (HLG 2003). The main elements of HLG 2003 were the following⁶: by 2003 the MS were to put at the Union's disposal, on a voluntary basis, forces capable of carrying out a range of tasks as set out in the then in forces art. 17.2 of the Treaty on the EU, in operations up to army corps level (50-60,000 troops), along with the necessary command, control and intelligence capabilities, logistics, other combat support services and, as appropriate, air and naval elements; moreover, this force should be able to deploy within 60 days and be sustained or at least one year.

While the Laeken European Council in 2001 stated that the Union had achieved partially its HLG 2003, in 2003, it was declared a full operational capability across the full range of Petersberg tasks, limited constrained by recognized shortfalls.

While the initial quantitative approach to capability development was not very well structured and was based on the so called Capability Improvement Conferences (CIC), things were about to change five years after the launching of the ESDP/CSDP.

Thus it was in 2004 that the MS decided to set a new Headline Goal with a 2010 time horizon (HLG 2010). The main difference in relation to HLG 2003 consisted in the shift of focus from a quantitative to a qualitative approach to capabilities. Basically, the EU made no references to any size of the forces needed but simple stated that it should be able to respond to the whole spectrum of crisis management operations covered by the Treaty on the EU (TEU) and complemented by the European Security Strategy (ESS) in December 2003.

⁶ Ibidem.

The adoption, in February 2003, of the Capability Development Mechanism (CDM) had an important and decisive contribution to the structuring of the process. Probably, beyond defining a list of objectives and associated milestones, a roadmap to make CSDP truly operational, the salient aspects of HLG 2010 could be summarized as follows⁷:

- a definition of the EU level of ambition, enshrined in the commitment to retain the ability to conduct concurrent operations at different levels of engagement;
- interoperability, deployability and sustainability were at the core of MS efforts and driving factors of this goal;
- the ability to deploy force packages at high readiness, the very basis for the launching of the EU Battlegroups (EU BGs) concept was a key element of HLG 2010;
- the establishment of an Agency in the field of defence capability development, research, acquisition and armaments (currently the EDA), in the course of 2004, was also an important aspect covered by this goal.

Following the adoption of the Declaration on Strengthening Capabilities in December 2008⁸, a combination of civil and military, quantitative and qualitative elements of capability development, and approaching the time horizon of HLG 2010 implementation, the EU made a wise decision: it was decided to go for a joint approach to capability development, civilian and military, well beyond 2010, without setting a clear end date but rather an end state. This approach is also fully consistent to the EU comprehensive approach to crisis management, based on the effective and efficient use of civilian and military instruments⁹.

The extension of existing civilian and military objective s beyond 2010, setting civilian-military, civilian and military capability objectives could do trick for developing the right mix of necessary capabilities to manage international crises around the globe.

Without entering into details, it is worth noting that the focus was again on projection, protection and sustainment of forces, enhanced readiness and rapid response capabilities, cooperation with NATO and third countries, as important partners with responsibilities in the field of crisis management.

⁷ Ibidem.

⁸ <http://consilium.europa.eu/eeas/security-defence/capabilities/military-capabilities?lang=en>.

⁹ xxx, EU Civilian and Military Capability Development beyond 2010, Council of the EU, Brussels, 6 December 2010.

The development of capabilities is still there, even in a more integrated civil-military approach, but the lack of deadlines may actually not necessarily play well for the EU progress in the field, in spite of the provision for annual and coherent political reporting in this regard.

3. Section 3 - The process, its main actors and their respective roles

The logical approach to describe the EU capability development process would be either starting with the actors or tackling the process first, but the current approach is to try to do both at the same time: describing the actors along the process, witnessing the shift of influence from the EUMC/EUMS to the EDA, understanding the paramount role of the MS, identifying internal strengths and weaknesses, as well as external challenges and opportunities.

3.1 – The Capability Development Mechanism: the initial EU approach to capability development (*the bottom up approach*)

As already mentioned, while the capability development process was not very well structured up to early 2003, with a focus on quantity then quality, as a vivid proof of HLG 2003 proper that has changed with the arrival of the CDM, in early 2003, as the mechanism to meet the following specific aims¹⁰:

- to enable the EU to monitor and facilitate progress towards honoring of undertakings to achieve the overall goal;
- to enable the EU to evaluate and, if necessary, to review its defined capability goals in order to meet the requirements of the full range of Petersburg tasks;
- to help to achieve consistency between the pledges undertaken in the framework and, for the countries concerned, the force goals agreed in the context of NATO planning or Partnership for Peace (PARP).

The CDM is clearly based on two underpinning principles, i.e. the EU's autonomy of decision making and the political and voluntary nature of the commitments made by MS.

The importance of the CDM is also in terms of assigning responsibilities to the different actors in the EU in the field of capability development¹¹:

- the Political and Security Committee (PSC), under the auspices of the Council, should take responsibility for the political direction of the development of

¹⁰ xxx, Defining the EU Capability Development Mechanism (CDM), Council of the EU, Brussels, 26 February 2003.

military capabilities, taking into account the type of crises to which the Union wishes to respond;

- the MS, by the means of their respective Ministers of Defense, play a central role in the process of identifying military requirements and the implementation of solutions by their respective governments;
- the EUMC and the EUMS, in cooperation with the established Headline Goal Task Force (HTF), are to be the main actors in the various steps of the process regarding: reviewing the requirements (Requirements Catalogue - RC), compiling analyzing and national contributions made by MS (Force Catalogue - FC), monitoring progress, in quantitative and qualitative terms (by the means of the Progress Catalogue – PC or the Single Progress Report - SPR) and, last but not least important, addressing shortfalls, via short-term approaches (increased contributions from existing capabilities) and long-term approaches (projects to be developed).

While the MS are still the most important element in this process, it is worth noting that the only Brussels based actors were by that time, and remained so for a couple of more years, PSC, EUMC, EUMS and HTF, with the EDA not being yet more than a paper project.

Beyond structuring the EU capability development process, the CDM played an important role in providing the framework for the Union's cooperation with NATO in the realm of capabilities, by defining the Terms of Reference for the so-called EU-NATO Capability Group and making way for a reinforced HTF (HTF Plus) using also experts from non-EU allies (NATO members)¹².

Several iterations of this process have been already conducted to far, although in the beginning no cyclic approach was defined, with MS free to choose the opportunity (or not) to communicate as deemed necessary any changes affecting their response to that part of the national responses to NATO dealing with their commitments concerning the EU.

In terms of national contributions, while MS were presented with the so-called Headline Goal Questionnaire (HGQ)¹³, in fact an adapted version of NATO's DPQ (Defense Planning Questionnaire), they were free to choose whether the replies were provided in the format offered by HGQ or simply used the national replies to DPQ. Likewise, their contributions to the EU could be a part of the national package to

¹¹ Ibidem.

¹² Ibidem.

NATO, a similar one or a totally different contribution. While no agreed rule applies one could clearly see an evolution into the direction of the second approach and the extensive use of the national responses to NATO in order to update MS contribution to the EU (for updating the FC and by default the PC).

3.2– The Capability Development Plan: shifting [some] responsibilities to the EU institutions and agencies (*the top down approach*)

When the European Defense Agency (EDA) was established back in 2004, with the goal to “*support the Council and the MS in their effort to improve the EU’s capabilities in the field of crisis management and to sustain the CSDP as it stands and develops in the future*”¹⁴, it became clear that the development of capabilities need additional incentives and a new impetus, with the Agency having to play an important role in this respect.

Among the functions and tasks of the EDA one could mention the contribution to identifying the MS military capability objectives and evaluating observance of the capability commitments assumed by the MS. However, when the Agency’s Decision was revised in 2011, the role and place of the CDM, as well as of the EUMC were recognized and clearly mentioned as relevant for the process.

While the CDM and its associated bottom up approach seemed to achieve their limits in improving the EU capabilities, in order to offer a new impetus to the capability development process and to take into account additional elements, the EDA decided to launch a so-called Capability Development Plan (CDP), with the aim to¹⁵:

- make the Long Term Vision (LTV) capability guidance, adopted in 2006, more specific and useful;
- identify priorities for capability development;
- bring out opportunities to pool and cooperate.

The work to hammer out the CDP was divided into four major strands:

- establishing the baseline of shortfalls against the HGL 2010 and their relative priority (Strand A);
- developing the LTV (Strand B – forward looking analysis);

¹³ Since 2010 the HGQ has been replaced by the so-called Information Gathering Tool (IG Tool).

¹⁴ xxx, Council Decision 2011/411/CFSP defining the statute, seat and operational rules of the EDA, Council of the EU, Brussels, 12 July 2011.

¹⁵ xxx, Future trends from the CDP, EDA, Brussels, July 2008 on <http://eda.europa.eu..>

- collating a database of MS current defense plans and programmes (Strand C – Cooperative Database - CoDaBa);
- harvesting lessons for future capability from current experience (Strand D).

While the EDA provided the overall coordination of the process, the EUMC/EUMS was in charge of conducting both Strand A and D and supported the conduct of Strand B. MS were fully-associated to the process, via the HTF and the newly established CDP-Team (CDP-T).

Although relying on various trends stemming from the four strands mentioned above, the CDP brought in an innovative approach to capability development by establishing a new instrument to assist all MS to develop their national capability plans, whilst providing a catalyst to identify and launch multinational collaborations for the development of new enhanced capabilities. The CDP is not at all as a supranational plan with an aspiration to replace national decision-making.

4. Section 4 - Pooling and sharing of capabilities: the new kid on the EU block

The economic and financial crisis came with apparent no warning and impacted severely on the already shrinking defense budgets of most MS. With only 4 MS devoting more than 2% of the GDP for defense purposes and most other MS allotting a bit more than 1%, the EU was quite ill prepared to address the capability shortfalls identified in different documents and repeatedly recognized by its leader¹⁶. As a former Chief Executive of the EDA put it bluntly: *“European defense resources still pay for a total of 10,000 tanks, 2,500 combat aircraft, and nearly two million men and women in uniform – more than half a million more than the UE power. Yet 70% of Europe’s land forces are simply unable to operate outside national territory- and transport aircraft, communications, surveillance drones and helicopters remain in chronically short supply”*¹⁷. While admitting the fading appetite and ability for MS to finance the necessary new capabilities by themselves, Mr. Whitney came out with the only acceptable solution. i.e. cooperation. An approach clearly supported by the evolving environment, for example the former US Ambassador to NATO, Ms. Nunland statement asking for a *“stronger, more capable European defense capacity”*¹⁸. Meanwhile, the US started to style itself *“more as a Pacific than a*

¹⁶ European Union Committee / House of Lords, European Defence Capabilities: lesson from the past, signposts for the future, Authority of the House of Lords, London, 4 May 2012.

¹⁷ Whitney, N., Re-energising Europe’s Security and Defence Policy, ECFR, Brussels, July 2008, p. 1.

¹⁸ Ibidem, p. 2.

*European power*¹⁹ which added even more pressure for the Europeans to act, i.e. to assume more responsibilities in the field of security and defense, including in developing the much needed capabilities for crisis management.

A European response to that was the launching in 2010 of the so-called Pooling and Sharing (or Ghent) initiative, put forward by Germany and Sweden that gathered momentum and started to roll like a ball. Basically, Pooling and Sharing is about enhancing cooperation among MS, in those areas with potential, either due to the associated high costs to develop the respective capabilities or to the low interest in some MS to continue investing by themselves in a too specific set of capabilities. Hence the various form of cooperation: pooling of similar capabilities, sharing of different capabilities and role specialization. However, the biggest problem remains, beyond the will to launch such cooperation, the mutual trust of the actors involved.

Bearing in mind the complexity of the process and the previous cooperation experiences within the EU in the field of capability development, a mix of actors have played different roles in the process, under the political direction of the PSC.

Although the process is not yet fully structured, the MS having diverging views and some being reluctant to delegate too much authority to Brussels-based structures, one could identify some elements shaping in the process:

- the Council defined the need for conducting national analyses, a sort of audit, of their respective capabilities with a view to identify projects and programmes with potential for cooperation;
- the EUMC/EUMS collected the respective results of MS analyses and made proposals for cooperation and collaboration areas based on an initial evaluation;
- the EDA, with the help of the interested MS, identified both projects and programmes in various areas with potential for cooperation and collaboration and a list of factors conducive to launching and implementing them (geographical proximity, number of participants, common interests etc.);
- the EUMC/EDA and EDA started to implement measures in their respective areas of responsibility;
- the EU gave a clear signal to NATO that the need for de-conflicting Pooling and Sharing and the Allied similar initiative, nick-named Smart Defense was out there and Europeans were both aware of it and ready to assume their

¹⁹ Valasek, T., in ALL ALONE? What US retrenchment means for Europe and NATO, CER, London, February 2012, p.1.

share, a fact recognized by the Alliance: “*Smart Defense and the EU's Pooling and Sharing initiative are complementary and mutually reinforcing*”²⁰. Some areas of responsibility for the Europeans were also identified: air-to-air refueling, medical support, maritime surveillance and training.

Hopefully this is a moment of truth and the commitments made by Europeans to themselves and to NATO will be complied with and the MS will live up to the self-imposed standards.

II. CHAPTER 2 - Developing military capabilities for the EU: an inside view

After getting the official view, spiced with the opinions of various experts, it seems to be the right time to bring in some personal insights on the EU capability development process, bearing in mind that these views reflect only the opinion of a former member of the EUMS that used to work on the regular basis with the EDA and under the authority of the EUMC in the very heart of this process. The intent of this endeavor is not to be critical about the process and / or the various actors involved, but rather to identify the weak spots and make possible recommendations to improve either their behavior or to streamline the process proper.

And without prejudging the content of the following section, the personal view is that the MS are to stay in almost full control of both process and roles played by the other Brussels-based actors involved (proponents of a more top down approach to the EU capability development), by their various leverages at hand (committees, budgets, decision-making structures, identification and selection of the capability shortfalls and areas of concern, and last but not least important management of respective shortfalls and areas of concern).

1. Section 1 - The EUMC and the EUMS: putting the *bottom up* approach at work

As already stated above, the EUMC plays an important role in implementing the provisions of the CDM as well as in relation to the CDP, as long as it validates the proposals of the HTF, prepared by the EUMS, in terms of capability shortfalls stemming from both the capability/strategic planning associated to the HLG process

²⁰ xxx., Summit Declaration on Defence Capabilities: Toward NATO Forces 2020, NATO, Chicago, 20 May 2012.

and the various lessons identified in operations, especially those conducted by the UE.

Bearing in mind that the EUMC is a vivid proof of the MS interests, it is obvious that it relies rather on the bottom up approach to capability development, with the MS present at each and every step of the process and using their leverages in order to impose their will.

While by their very statute the national experts in the EUMS manage to a large extent to take off their national hats and “act international”, i.e. in the interest of the EU and CSDP, thus more in line with the top down approach, the EUMC still remains the exponent of MS interests and can influence the proposals put forward by its working body, the HTF, as prepared by the EUMS.

Over the last years both the level of understanding and the interest of the Military Representatives of the MS (MilReps), i.e. the EUMC on a daily basis, has had a positive evolution, with the regular meetings between this Committee and the EDA, dedicated mainly to capability matters, playing an important role in this respect.

The fact that the last Director General of the EUMS came from the rank of former MilReps, and this seems to continue also in the future, could have also played to the benefit of capability development with the respective military leaders coming to the system already acquainted to the trends, challenges and opportunities, ready to “plug and play”.

In accordance with the Decision on its establishment ²¹ the EUMS is to *“perform early warning, situation assessment and strategic planning for missions and tasks referred to in Article 17(2) of the TEU, including those identified in the European Security Strategy. This also encompasses the identification of European national and multinational forces and to implement policies and decisions as directed by the European Union Military Committee (EUMC).”*

As one can easily note, the EUMS is actually to support the EUMC while at the same being bound to provide support to the High Representative for Foreign Affairs and Security Policy (HR) in this field of responsibility.

As far as the different lines of development of a capability are concerned, the EUMS plays its role in capability planning proper, collection and analysis of lessons identified (LI) in operations, with a focus on the national ones, concepts development and training (with the EUMC acting as *primus inter pares* in this last two areas at the EU level).

²¹ http://eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_132/l_13220050526en00170024.pdf.

The overall performance of the EUMS seems to be closely related to the modalities to liaise effectively with the military advisers to the Chairman of the EUMC (CEUMC), to the support provided to the HTF in devising and especially implementing its work programme, as well as to the relationship established towards the EDA.

Bearing in mind the EDA "*integrated way of working*"²², the EUMS is bound to participate with experts in the various working bodies of the Agency, starting from the CDP-T and continuing through the Integrated Development Teams (IDTs) and the Project Teams (PTs). At the same time, the EUMC representatives are providing the Agency with the collegiate views of this body, thus shaping also its decisions with impact on the development of capabilities.

The way the institutional relationships are working is also influenced and backed up by the personal ones established among the members of the EUMS and the EDA and seem to have evolved on a positive path over the last years.

2. Section 2 - The EDA: a new game is in town

When the Agency was established in 2004, the MS were highly enthusiastic towards this new long awaited actor to contribute to the development of the capabilities needed for crisis management by the EU. Although the budget of the Agency has never been extremely important (around 30 million Euro / year) the expectations were pretty high and this structure enjoyed a lot of credit from the MS as its main stakeholders. However, with the advent of the economic and financial crisis one could witness a rather lukewarm support from the same MS towards the Agency maybe due also to the domestic problems in the field of defense (budgetary cuts, various and protracted commitments around the world).

This has also a lot to do with the rather limited political will to adopt the very capability areas of concern identified at the EU level in devising their national plans and programmes in the field of defense.

While in the beginning the EUMC and the EUMS might well have considered the Agency as a competitor looking for a place at the EU table and endowed with its own budget (which is not the case for any of the former), it seems that in the end the division of labor has been quite well accepted by the respective actors.

The very sharing of responsibilities of the two / three parties in the run up to the initial CDP in 2008 and especially the updated CDP in 2011 could be assessed s

²² For details see <http://eda.europa.eu>.

a success story in terms of cooperation and capacity to adapt to the evolving environment.

While the EDA needs money to hire enough high-quality staff to fulfill its mission, the use to a larger extent, by the Agency, of the former EUMS personnel that has already acquired a good level of knowledge on the CSDP establishment and functioning could be sought in the future.

3. Section 3 - Pooling and sharing: is it enough?

As already mentioned above it seems that a certain division of responsibilities between MS, EDA and EUMC/EUMS has been worked out, with the former having enough leverages to influence the evolution of the pooling and sharing process. While the EDA is expected to focus more on concrete projects and programmes with potential for cooperation, with a premium on those highlighted by NATO in the different statements made in Chicago, during the recent summit, one could expect that the EUMC /EUMS will continue to play a role in the Pooling and Sharing process, not least due to the influence of those bodies on the CSDP establishment and their special links to the national structures with responsibilities in capability development. Let us not forget that a important part of the national capability directors are directly linked to the General Staffs in the respective MS and thus answering to the respective Chiefs of Defense who are also rightful members of the EUMC.

In the same vein, the already accepted complementarity between the EU Pooling and Sharing initiative and NATO's Smart Defense approach to capability development has to continue to be strengthened with the EU-NATO Capability Group as well the HTF Plusm these bodies being instrumental in bringing this collaboration forward.

4. Section 4 – A partial set of recommendations

To sum up a decade of previous work in the field and to grasp its essence is by no means an easy process. Anyway, there is a whole list of recommendations to be made, out of experience or simply our out evidence in order to improve the development of capabilities available to the EU for managing international crises. Some of them are as follows, in a random order:

- MS should use a better share of the agreed priorities in the areas of concern in order to alleviate and if possible make good the identified capability shortfalls when devising their national plans and programs in the defense sector;

- Political leaders support to capability development is paramount not only when adopting, endorsing or simply noting priorities to be tackled but especially when it comes to implement the associated measures proper by allotting the appropriate resources;
- Pooling and sharing should not be seen as a panacea to all capability shortfalls, a cure-all solution in other words, neither a reason to further reduce the already shrunk defence budgets.

INSTEAD OF CONCLUSIONS: what capabilities for what EU?

After getting the big picture of ESDP/CSDP, with a particular focus on the EU capability development process, a question seems to be legitimate: is there possible to develop the right mix of capabilities to manage international crises around the globe without having a clear-cut goal on what the EU intends to be as an international actor? In other words, in order for the EU to continue to enhance its credibility as an international actor with responsibilities in the field of security and defense it has to first be able to clarify the *finalité politique* of the Union.

Without having an answer to this major concern, the following lines will simply try to figure out several elements thought to act as driving factors for the evolution of the EU in the field of security and defense, with a special focus on the development of capabilities realm.

The adoption and implementation of the Treaty of Lisbon has had a clear impact on the EU capability development: beyond establishing the position of HR, who becomes the main EU official responsible for CSFP and CSDP, we also witnessed the consolidation of the PSC role, while the EDA assumes now a sort of “*primus inter pares*” role (as long as it is the only structure enshrined in a EU Treaty, except for the PSC), but the EUMC/EUMS and the Crisis Management and Planning Directorate (CMPD) still kept an important role as long as there are part and parcel of the newly established European External Action Service (EEAS) specially designed to support the HR in her endeavors (with the latter also filling the post of... Head of the EDA).

The MS are very likely to preserve their role in the overall EU capability development process, as already mentioned several times above.

The list of capabilities in shortfall, structured along different areas of concern, prioritized and commonly agreed by the MS is out there but a legitimate question remains: are MS able and willing to really pick it up and deliver?

Today Europe is at a crossroads again. Providing that the Euro does not collapse and a “*two speed Europe*” or “*political Europe*” is established, as recently the German Chancellor and the President of the European Commission suggested²³, the defense sector cannot stay outside this process. In fact, this sector may be well advanced in terms of an existing framework allowing for a group of MS, both willing and able, to advance faster in cooperating to each other (with a view to create better capabilities for more demanding interventions in response to international crises).

The Pooling and Sharing is a possible example in this respect. But the overall framework is enshrined in the generic principles of the so-called permanent structured cooperation (PESCO) provided for by the Treaty of Lisbon. The idea of the pioneer group behind the PESCO could help provided that the following principle applies: as no MS should be forced to do things in the field of defense that it does not want, none should stand in the way of the others who wish to deepen their cooperation. However, beyond this adapted version of the Golden Rule, the process should be well thought and a clear-cut set of benchmarks and milestones should be agreed prior launching it. Rushing into PESCO without sound previous preparation would be mistake with long term consequences to the evolution of the CSDP.

However, one should be careful that the Pooling and Sharing initiative comes also at a risk, i.e. it creates dependencies hence the need to back it up with formal contracts beyond simple gentlemen’s agreements. On the other hand, PESCO has many flaws identified by various analysts: there is no agreed set of criteria, there has not been identified / appointed an institution in charge yet, there are sensitivities related to smaller MS (or those with limited capabilities) in terms of their need to be included in the process (if any!) from the very beginning. Consequently, a gradual approach, this time result-oriented instead of another review of the already well known capability gaps, would be the only way to succeed in fixing the deficiencies and creating better capabilities.

Better capabilities mean, for example, a better decision-making process (DMP) but especially to make good identified shortfalls in different areas of concern, if possible harmonized to the largest possible concern with NATO’s Defense Planning Process (NDPP), bearing in mind the following aspects:

- The adoption and use of a similar set of codification for the set of capabilities, in the different capability areas (and make use of them for the force generation process too);

²³ <http://www.euobserver.com>.

- The way the capabilities proper are defined (via the so-called capability statements) taking into account the EU specificities, or the EU “*way of war*”²⁴, i.e. its specific focus on various crisis management related capabilities, from a comprehensive (civil-military) perspective, needed to meet the EU LOA. Such an approach should be EU’s short and medium term goal, while for the long term the Union could also tackle the much more sensitive issue of the mutual defense assistance; and
- Above all previous considerations, the establishment of a sort of “enforcement mechanism” (well beyond the so much praised but with limited effectiveness “peer-to-peer” pressure).

Does this mean the end of the voluntary approach to the EU capability development in particular and CSDP in general? Does it mean the end of the bottom up approach and the victory of the top down one after a long series of turf battles with ups and downs for both of them?

As a personal opinion there is a need to be able to give up at least some parts in terms of voluntariness of the process at the expense of effectiveness, with Pooling and Sharing and later on PESCO as first steps into that direction. However, there seems to be a clear need for striking the right balance between the two approaches not least in order to mitigate the risk of alienating MS involvement and appetite in the DMP and the related capability development process for CSDP purposes.

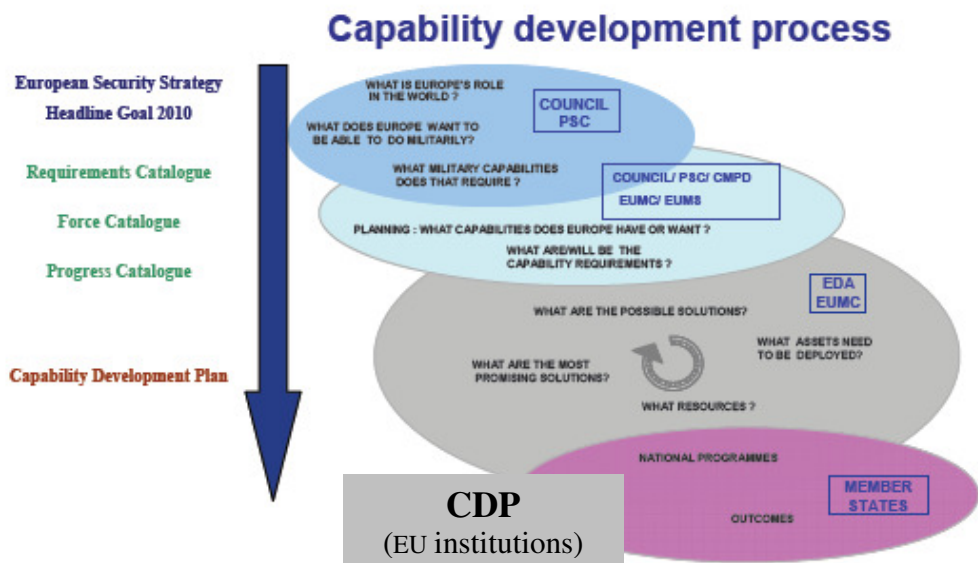
The bottom line is that the EU cannot build an effective CSDP without having the full support of its MS in developing the right mix of capabilities. Conversely, if the MS are really committed to a genuine CSDP they should also accept at least a limited transfer of responsibilities and decisions at the EU level. That is simply because DMP and capability development proper are pretty similar to a two way street, with road signs, rules and responsibilities. Unless each and every actor plays by the rules, observes the signs and takes on responsibilities commensurate to its real potential the CSDP cannot be taken forward and the EU cannot become a fully-fledged actor on the international scene.

²⁴ For further details on this topic see Grant, C. (ed.), *A European Way of War*, CER, London, 2004.

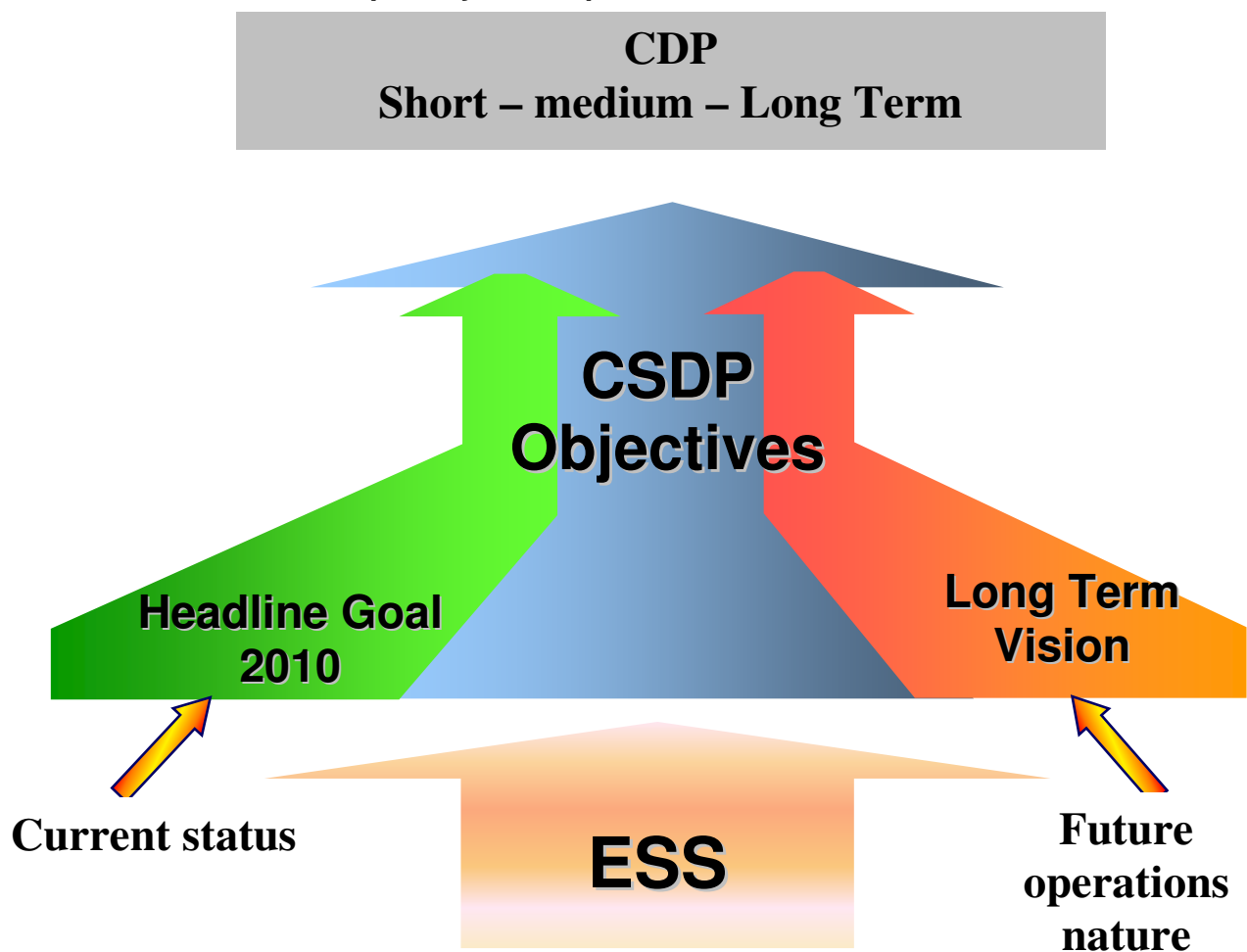
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ANNEX 1 – The EU Capability Development Process



ANNEX 2 – The EU Capability Development Plan



ECONOMIC RISKS TO NATIONAL SECURITY

LTC Nicolae ILIE

CONTENTS

Introduction

- I. A way to define national security and economic risks**
 - 1. What is the national security?
 - 2. What is the economic risk?
- II. The national security strategy from different perspectives**
 - 1. Romania's approach (2007)
 - 2. United Kingdom's approach (2008)
 - 3. United States` approach (2010)
- III. Is the economy a real concern for national security?**

Conclusions

References

ECONOMIC RISKS TO NATIONAL SECURITY

INTRODUCTION

Since 1950's the global political, economic, social and military climates have been changing continuously. The cold war, marked by the fall of Soviet Union and its breakup, has ended 45 years of Soviet-American conflict bringing on the world scene a relief and, also, a big concern: How will be the new international order?

During last two decades the international landscape became more unpredictable and uncertain. The global markets, the technological boom and social progress have hardened the businesses, economies and societies. While all of these can be seen as positive changes, we cannot ignore the new challenges the states have to cope with: conflicts generated by the ethnic, religious and nationalistic differences, food insecurity, drug cartels, international terrorism, threats created by the information-age technology, pandemics, conflicts and failed states. As a result, the states have started to embrace new national security approaches in order to response to the new difficulties they face, giving birth to a new concept of national security.

I. A WAY TO DEFINE NATIONAL SECURITY AND ECONOMIC RISKS

I.1.What is the national security?

A definition of national security does not exist to express a worldwide view. One definition found shows that the national security is *“a collective term for the defense and foreign relations of a country, in the sense of protecting the interests of that country”*¹. Years ago the security strategies have addressed mostly external threats, namely military threats which basically required a military response. Today, planners have to address problems such as *“environmental pollution, depletion of the ozone layer, global warming, and massive migrations of unwanted refugees”*². For instance, the wars over scarce resources (such as water), become a direct cause of conflict, but in the same time could easily produce economic decline and political instability.

¹ Dictionary.com, LLC. Copyright © 2012

² Kalevi J. Holsti, *The State, War, and the State of War* (1996), p. 25.

From an United States (US) perspective national security is the requirement to maintain the survival of the state through the use of economic, diplomacy, power projection and political power. Firstly, it was focused on the military aspects, but nowadays has a multitude of facets as energy security, environmental security, cyber security, economic security and so on. The US National Security Law & Legal Definition shows that *“the national security is a corporate term covering both national defense and foreign relations of the U.S. It refers to the protection of a nation from attack or other danger by holding adequate armed forces and guarding state secrets. The term national security encompasses within it economic security, monetary security, energy security, environmental security, military security, political security and security of energy and natural resources. Specifically, national security means a circumstance that exists as a result of a military or defense advantage over any foreign nation or group of nations, or a friendly foreign relations position, or a defense position capable of successfully protesting hostile or destructive action”*³.

I.2. What is the economic risk?

An economic risk can be described as *“the possibility that an economic downturn will negatively impact an investment. For example, launching a luxury product immediately before or during a recession carries a great deal of economic risk. Economic risk is closely related to political risk as government decisions impacting the economy may also affect an investment. For example, a central bank may raise interest rates or the legislature may raise taxes, and this may result in economic conditions impacting an investment”*⁴.

The economic risk can be also described as *“the changes in the state of economy will impair the debtors' ability to pay or the potential borrower's ability to borrow.”*⁵

The economic risk's causes can be many, for instance, the lapsing of deadlines for construction of a new operating facility, disruptions in a production process, emergence of a serious competitor on the market, the loss of key personnel, the change of a political regime, or natural disasters. Reference class

³ Copyright © 2001-2012 USLegal, Inc.

⁴ Farlex Financial Dictionary. © 2012 Farlex, Inc. All Rights Reserved

⁵ BusinessDictionary.com

forecasting was developed to eliminate or reduce economic risk⁶, being a method of predicting the future, through looking at similar past situations and their outcomes.

II. THE NATIONAL SECURITY STRATEGY FROM DIFFERENT PERSPECTIVES

II.1. Romania's approach (2007)

Today – in a crucial moment of its history – Romania needs a pragmatic and realistic project, a project that is able to harmoniously combine the individual initiative with the modern civic spirit and the responsible engagement. The new security strategy is a major demarche toward this direction and is focused, from the democratic perspective, on guaranteeing the individual's security, its life and family security⁷.

The current National Security Strategy, released in 2007, is the first outcome after Romania's accession to the North Atlantic Treaty Organization. According to the new strategy Romania has to be able to diminish the disparities between our country and the developed European countries, especially those referring to the life's quality standards, to prevent and counter the threats against the citizens, communities, nation and the State, to timely and efficiently manage the crisis and to actively participate in the integration and cooperation processes.

Given that the security and prosperity are inseparable terms in the modern world, the Romania's progress, prosperity and national security can only be the result of a complex process which promote and guarantee the national values and interests. Among objectives as integration into the European Union, taking charge of NATO membership, maintaining the integrity, unity, sovereignty, independence and indivisibility of the Romanian state, increase welfare, living standards and health of the population modernization of the education system and effective utilization of human, scientific and technological potentials, it can be find also the one which define the development of a **competitive and dynamic market economy**.

⁶ Flyvbjerg, B., 2008, "Curbing Optimism Bias and Strategic Misrepresentation in Planning: Reference Class Forecasting in Practice." *European Planning Studies*, vol. 16, no. 1, January, p. 3-21

II.2. United Kingdom's approach (2008)

In 2008 was the first time the United Kingdom's Government has published a single strategy bringing together the objectives and plans of all departments, agencies and forces involved in protecting the United Kingdom national security. It is considered a significant step, and the latest in a series of reforms bringing greater focus and integration to the British national security approach.

The chapter 3 of the United Kingdom's National Security Strategy outlines not only the immediate and longer term threats and risks, but also the factors which drive them. These factors are not, in themselves, considered a direct security threat, but they can drive insecurity, instability and conflict.

Among others, it is mentioned that globalization brings huge benefits to security as well as prosperity. The United Kingdom, apart from taking benefits from it, has a clear interest in monitoring and addressing the related challenges and vulnerabilities which derives from globalization: economic, technological and demographic.

"The first set of challenges and vulnerabilities is economic. Last year, total United Kingdom imports and exports were over £750 billion (or about 55% of GDP), and 95% of our visible international trade is reliant on shipping. Business and consumers increasingly benefit from global supply chains, and from our status as a global hub for business and travel. Our success in exploiting those opportunities contributes to high levels of employment and standards of living, and to international influence. But it relies on a relatively benign international environment, and requires us to consider our vulnerability to risks to open markets and global financial stability, and potentially to physical threats to global supply chain".⁸

II.3. United States' approach (2010)

"Our strategy starts by recognizing that our strength and influence abroad begins with steps we take at home"⁹.

Apart from underlying the national security interests, the US National Security Strategy presents also the American strategic approach. In this regard, the president calls on renewing the foundation of America's strength, emphasizing that the

⁷ Romania's National Security Strategy, 2007

⁸ The National Security Strategy of the United Kingdom, March 2008

American prosperity is a fountain for the American power and recognizing that their competitiveness has been set back in recent years. *“That is why we are rebuilding our economy so that it will serve as an engine of opportunity for the American people, and a source of American influence abroad. The United States must ensure that we have the world’s best-educated workforce, a private sector that fosters innovation, and citizens and businesses that can access affordable health care to compete in a globalized economy. We must transform the way that we use energy—diversifying supplies, investing in innovation, and deploying clean energy technologies. By doing so, we will enhance energy security, create jobs, and fight climate change.”*¹⁰

Taking efforts to rebuild the American economy will not only reposition the US in the global marketplace but also will support the national security capacity seen as the strength of military, intelligence, diplomacy and development, and the security and resilience of the homeland. What the president affirms in his foreword about growing the economy and reducing the deficit, it is seen as a top two American interest: *“A strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity.”*¹¹

III. IS THE ECONOMY A REAL CONCERN FOR THE NATIONAL SECURITY?

I would say it is. How can you buy, operate, maintain the equipment for your Armed Forces? How can you fund the war counter terrorism, against drug cartels and organized crime if your economy limits your options? How can you early tackle the security challenges in order to be prepared for the future security risks?

In an interview with Daily Ticker, Richard Haass, president of the U.S. Council on Foreign Relations, stressed that *“The most important national security question for the coming year is actually the domestic set of issues that involves the economy.”*

A Council on Foreign Relations Task Force released a report in March 2012 that found the U.S. ailing public school system *“threatens the country’s ability to thrive in a global economy and maintain its leadership role”* and *“educational failure puts the United States’ future economic prosperity, global position, and physical safety at risk.”*¹²

⁹ Barack Obama foreword to the United States’ National Security Strategy, 2010.

¹⁰ United States’ National Security Strategy, 2010.

¹¹ United States’ National Security Strategy, 2010.

¹² Daily Thicker’s article, America’s Biggest National Security Threat: U.S. Debt, April 3, 2012

In conclusion, Haass says that U.S. is vulnerable to the inflows of dollars, on the energy front, and the challenge for U.S. in the national security arena is to do things that reduce the U.S. vulnerability to the decisions and behaviors of the foreign governments or markets.

It became obvious that the economy status has affected in some extent the U.S. national strategy. A slice of 33,000 US troops, comprising a third from whole U.S. troops deployed, will be withdrawn from Afghanistan by the summer of 2012 or by September at the latest. President Obama has criticized the current U.S. spending on wars overseas while the country is struggling economically at home. He promised, in spite of the U.S. commander in Afghanistan, General David Petraeus, and defense secretary Robert Gates recommendations, to shift from foreign to domestic issues. He said *"it is time to focus on nation building here at home"*.

Aside from accusations that this consistent troops withdrawal could form part of Obama's pitch in the 2012 White House election campaign, it is quite clear United States is facing economic problems. On 12th of February, during the Senate Armed Services Committee Hearing on Worldwide Threats to U.S. National Security, senator John McCain highlighted a current sensitive issue, namely the U.S. national debt: *"Why in an international environment of growing uncertainty, risk and threat would we choose to add to those risks by making large and misguided cuts to our national defense budget? Cuts that by themselves will not significantly reduce our national debt, the real driver of which is our domestic entitlement programs. I don't see a compelling answer to this question at this time, and I imagine today's hearing will underscore that point."*¹³

Apprehending the above mentioned realities and moving away from the U.S. environment, we dare to exemplify some of the economy risks which we consider to have an important impact on the national security.

A weakened economy is characterized by a higher degree of unemployed citizens. Apart from the fact that the unemployment can lead to xenophobia and protectionism setting barriers against "outsiders" who seek jobs or trade obstacles for foreign competitors, high level of unemployment causes internal social issues as crime within economy. Unemployed people, seeking other opportunities to sustain their subsistence, will fall prey to dishonest employers who will hire them bypassing the legal path in order to avoid paying taxes and social contributions. Black labor is a

¹³ Defence Intelligence Agency, Senate Armed Services Committee Hearing on Worldwide Threats to U.S. National Security, February 16, 2012.

characteristic of underground economy, being related to tax evasion, which is considered a crime within economy and penalized with fines and/or imprisonment.

A state of affairs based on avoiding paying income taxes will decrease significantly state's budget and, consequently, the possibility to enforce the law and protect the citizens. People working within underground economy will fail to pay their mandatory social contributions, fact that will not influence only the protection of unemployed, but also their personal health and social protection on a long term. A society where citizens are not socially protected is exposed to civil unrest and insecurity.

Another risk posed by economy, which will have a consistent impact on national security, is the fall in the Gross Domestic Product. Businesses and public finances will be affected, and, in order to retain financial credibility, the government will increase taxes, as well as will cut spending. Such cuts will reduce the government expenditures and will have an impact on the defense budget too, reducing the possibilities to build military capabilities.

Also, in this equation cannot be neglected the low level of salaries. The public wages and salaries will be declined as a result of budget crisis. Moreover, some local administrations will cut off thousands of employees in response to the budget shortfalls. As a result consumers spending will decrease significantly, and companies will lower the production and the salaries of their employees. Now, the government faces a general decrease of standard of living for regular people. The mass discouraged due to the lack of hope for improvement will be in a continuous turmoil. The social tensions, as strikes and demonstrations, can destabilize the entire state, as in the case of Greece and some Middle East countries. Such events can pose a very dangerous threat to the stability, integrity and sovereignty of one nation or a specific region.

Another aspect should be seriously taken into account during recession. Confronting with this economical regress, would companies and government still invest and buy protection against cyber threats and attacks? This is a real good question because the networks vulnerability poses serious national and economic security risks. The attacks can be visible and not so visible, and either way can lead to the seizure of banking system, communications networks or electrical national grid.

In the national security realm a big challenge is to reduce the vulnerability to the behaviors and decisions of the foreign governments, markets and non-state

actors. If the economy cannot sustain anymore the state's expenditures, even if they have been drastically reduced, there is a well-known way out, namely the financial loan under a Stand-By Arrangement. The loaner could be a state or a non-state actor, as the International Monetary Fund or the World Bank. The technical reason for money loan could be the following: *"Core measures under the program are designed to strengthen fiscal policy further to reduce the government's financing needs and improve long-term fiscal sustainability, thus preparing Romania for eventual entry into the euro zone. In addition, the program aims to maintain adequate capitalization of banks and liquidity in domestic financial markets; bring inflation within the central bank's target and maintain it there; and secure adequate external financing and improving confidence. The program contains explicit provisions to increase allocations for social programs, as well as protection under the reforms for the most vulnerable pensioners and public sector employees at the lower end of the wage scale. These strong policies justify the exceptional level of access to IMF resources-equivalent to around 1,127 percent of Romania's quota-and deserve the support of the international community."*¹⁴

While we honestly embrace the help we just received, we must be aware that it could be a two-bladed knife too. There should be a clear state of minds for the public authorities when they conclude such arrangements because they are a long term arrangements. Thoughtful considerations shall be given to the advantages and disadvantages of these consistent loans and to the set of policies and programs to use effective these resources.

In the case of post-communist countries, even if we would have had, since 1990's, a social and political consensus and a strong will to boost the economy through a powerful economic strategy using the foreign capital, still a question is blinking on as an emergency exit light: Are the post-communist economies just *"a mechanism for converting the local economic trends into a support for the efficient performance of the capitalized economies"*¹⁵?

¹⁴ Mr. Dominique Strauss-Kahn, Managing Director of the International Monetary Fund (IMF)

¹⁵ Dinu Marin, The consensus of hierarchy, 2012.

CONCLUSIONS

Looking at the global arena we can find that countries where the standards of living has been significantly decreased are heavily exposed to social tensions, increase in crime, trafficking of goods, smuggling, terrorist and criminal activity, all of these scented by high resistance to change and high level of corruption, where the private sector is affected by the politics and politics is corrupted by business actors.

Why would people want to live their lives in uncertainty? The people look for wellness, stability, safe surroundings, for jobs which will provide at least an acceptable standard of living, for a democratic environment which allows them to flourish their personal wishes and to build their families. Gradually failing to provide such outcome for your people will lead eventually to the public distrust.

The interdependency between the public trust and a prosperous economy is a reality. While a deficient economic policy will lead to a general behavior marked by cutting corners, which will consequently imply crimes within economy, we could not have mentioned here the fact that abusing the public power for the sake of private interest will throw the economy in a bottomless pit. Such ill environment is quite vulnerable to a big range of external threats.

The pervading opinion that the country economic status is a fundamental pusher for the national security has not only a one way sense, but also infers the truism of a national security as an active watcher for the economic prosperity.

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LOGISTICS SYSTEM IN JORDANIAN ARMED FORCES

COL Khaled KHAWALDEH

CONTENTS

Introduction

Logistics

Definition

Functions

Principles

Integrated Logistics Support

Logistics officer

Logistics in JAF

Introduction

JAF logistics network roles

Logistics support doctrine

Logistics support organization structure

The Directorate of Joint Logistics Supply structure

The Directorate of Joint Logistics Supply duties

The Directorate of Defense Procurements roles

The Royal Maintenance Corps Command roles

The Main Roles of Field Medical Command (FMC)

The Logistics System Cycle

CONCLUSIONS

REFERENCES

Introduction

In all Armies, Logistics system undertakes an important role in peace and war times. The success or failure of troops in performing their tasks / missions depends on an excellent logistics system. The logistics art is characterized by diversity, comprehensiveness, high cost and focus on time and place factors.

Throughout this paper the concept of logistics is dealt with via definition, description of its main functions and principles. Moreover, the case study of the Jordanian Armed Forces is presented as an example in order to better understand the role of this vital part of the military sector.

In the end, a set of conclusions is drawn in order to allow the reader to better understand the challenges of establishing, managing and improving the logistics as a means to provide the Armed Forces with the necessary support both in peace time and during crises.

Logistics [1]

Definition

The word *logistics* comes from the Greek *logostikos*, meaning one expert in enumeration. First used in the eighteenth century, the word in its current meaning became popular during World War II. In 1949, the army's Field Service Regulations defined logistics as *“that branch of administration which embraces the management and provision of supplies, evacuation and hospitalization, transportation, and services. It envisages getting the right people and the appropriate supplies to the right place at the right time and in the proper condition.”* In his 1966 history of army logistics, James A. Huston points out that logistics is the application of time and space factors to war and consists of “the three big M's of warfare—*matériel*, *movement*, and *maintenance*.”

In a narrow sense, logistics encompasses the four main activities noted in the 1949 *Field Service Regulations*:

1. supply;
2. transportation;
3. evacuation and hospitalization; and
4. services (maintenance being the most prominent).

A broader understanding might encompass all measures taken by a state to raise, arm, equip, feed, move, maintain, and otherwise care for its armies in the field. In its broadest construction, logistics also properly includes the mobilization of industry and manpower, research and development, procurement, construction of facilities, personnel management, and allied tasks.

Functions

Each of the armed services maintains its own logistical system. Despite obvious differences in equipment and certain specialized activities, such as underway replenishment of ships at sea and the aerial refueling of aircraft, each of these systems performs essentially the same **five functions**:

1. the determination of requirements;
2. acquisition;

3. distribution;
4. maintenance; and
5. disposal.

The determination of requirements involves the statement of needs and the definition of the resources required to meet those needs. Acquisition encompasses research and development, design, testing, production, and purchase of ships, aircraft, weapons, vehicles, ammunition, fuel, rations, clothing, and other equipment and supplies. Distribution includes the transportation, receipt, storage, and issue of materiel of all kinds. Maintenance involves the inspection, service, lubrication, and adjustment of equipment, and its calibration, repair, or refurbishment. The final logistical function is the disposal of worn, damaged, or surplus supplies and equipment.

Principles

Although logistical organization and procedures vary among the services, the logistical systems of the army, navy, [US] Marine Corps, and air force all respond to the same set of logistical principles. Most students of military affairs are familiar with the nine “Principles of War”—Mass, Objective, Simplicity, Unity of Command, Manoeuvre, Offensive, Surprise, Security, and Economy of Force—developed to serve as guides to the conduct of strategy and tactics. The principles governing the conduct of logistics are less well known but no less important.

Many commentators have tried to formulate the “principles of logistics.” Huston, for example, proposes fourteen principles based on the American experiences in war, and the army officially adheres to the nine set forth in chapter 3 of Army Regulation 118: Principles and Policies of the Army Logistics System (1976). Both are too long and complex for practical purposes, but can conveniently be summarized under five headings:

1. Concentration;
2. Austerity;
3. Visibility;
4. Mobility; and
5. Flexibility.

Concentration is the key, and its accomplishment involves the positioning of superior combat power at the decisive time and place. Allied successes in World War II, and more recently during the Persian Gulf War in Operation Desert Storm, were due to observing just this principle.

Resources are always limited, and thus logisticians must always observe the principle of Austerity, which has two aspects. The first is economy—the conservation of available resources before battle and the economical distribution of materiel to other, less vital, areas. Economy involves avoiding both excessive expenditure and unnecessary duplication of resources. The second is Simplicity. Simplicity of doctrine, organization, equipment, and plans is essential to the successful logistical support of combat operations.

The third principle is that of Visibility. Because the inability to locate a critical item is tantamount to not having it at all, the successful commander or logistician must always know what he or she has and where it is.

Mobility is the fourth principle. Insofar as mobile troops are essential to success on the modern battlefield, adequate transportation must be provided for all military operations and all military equipment must be designed for agility and transportability.

The final principle is Flexibility, or the capacity to accommodate the unforeseen. This can be accomplished by flexibility of organization, plans, and materiel, and, above all, by flexibility of mind.

Integrated Logistics Support [2]

Integrated logistics support (ILS) is an integrated and iterative process for developing materiel and a support strategy that optimizes functional support, leverages existing resources, and guides the system engineering process to lower life cycle cost and decrease the logistics footprint (demand for logistics), making the system easier to support. Although originally developed for military purposes, it is also widely used in commercial product support or customer service organizations.

In general, ILS plans and directs the identification and development of logistics support and system requirements for military systems, with the goal of creating systems that last longer and require less support, thereby reducing costs and increasing return on investments. ILS therefore, addresses these aspects of supportability not only during acquisition, but also throughout the operational life cycle of the system. The impact of ILS is often measured in terms of metrics such as reliability, availability, maintainability and testability (RAMT), and sometimes System Safety (RAMS).

ILS is the integrated planning and action of a number of disciplines in concert with one another to assure system availability. The planning of each element of ILS is ideally developed in coordination with the system engineering effort and with each other. Tradeoffs may be required between elements in order to acquire a system that is: affordable (lowest life cycle cost), operable, supportable, sustainable, transportable, and environmentally sound. In some cases, a deliberate process of Logistics Support Analysis will be used to identify tasks within each logistics support element.

The most widely accepted list of ILS activities includes:

- Reliability engineering, Maintainability engineering and Maintenance (preventive, predictive and corrective) Planning;
- Supply (Spare part) Support / acquire resources;
- Support and Test Equipment/Equipment Support;
- Manpower and Personnel;
- Training and Training Support;
- Technical Data / Publications;
- Computer Resources Support;
- Facilities;
- Packaging, Handling, Storage, and Transportation (PHS&T);
- Design Interface.

Logistics officer

A **Logistics Officer** is a member the Coast Guard or an Armed Force in a country responsible for overseeing the support of an Army, Air Force, Navy or Coast Guard Fleet both at home and abroad. Logistics Officers can be stationary on military bases or deployed as an active part of a field army, air wing, naval force or Coast Guard Fleet. The responsibilities of Logistics Officers vary, depending on where they are

deployed and what tasks they are assigned. In addition, different countries have different roles for Logistics Officers. The main role of these officers remains the same regardless of where they are stationed; to ensure that the force is supplied with enough food, water, fuel, ammunition and other goods and services to complete the task at hand.

In the United States, the work of the logistics officer includes providing Strategic, Operational, or Tactical level logistical support and managing the overall logistic processes in support of mission objectives; leveraging existing networks and expanding others; anticipating mission requirements and operational requirements and offering alternatives and advice; and evaluating, redesigning and implementing logistics processes for mission support.

The National Logistics Officer Association, while founded by United States Air Force maintenance officers, now serves as the primary professional organization dedicated to the professional development of logistics officers from all United States armed forces.

In the United Kingdom, a Logistics Officer in the Royal Air Force is colloquially known as a 'Stacker' (which is an abbreviation of either 'Blanket Stacker' or 'Duvet Stacker'). This is a reference to the traditionally-held perception of the role of the Logistics Officer from the point of view of an Engineering Officer.

Logistics in JAF

Introduction

As already mentioned in the beginning of the paper, the logistics system undertakes an important role in peace and war times. This stands also true for the Jordanian Armed Forces.

Within the next sections the JAF logistics system is presented by the means of several important aspects: doctrine, organization, duties and roles of the logistics structures. The intent is to provide the reader with an overview of the JAF logistics system in order to better understand it along with the associated challenges and opportunities.

JAF logistics network roles

The roles of the JAF logistics network roles can be summarized as follows:

- Planning and managing the logistics resources;
- Providing logistics supply and support to JAF;
- Preparing logistics support plans for the operational plans;
- Managing the logistics strategic reserve;
- Joint Logistics training;
- Storing and managing logistic materials.

All these roles play an important part in providing the appropriate level of support needed for JAF.

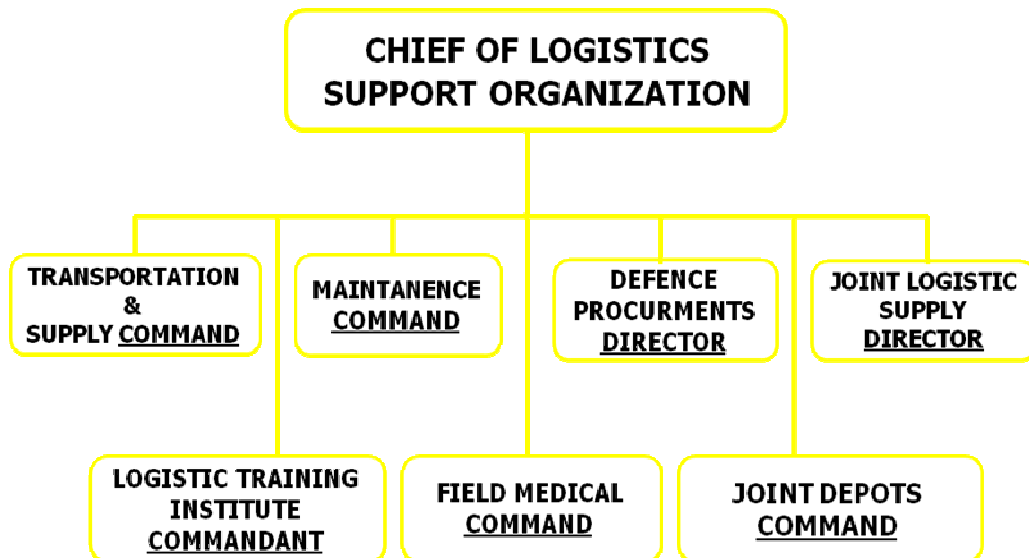
Logistics support doctrine

While hardware is always important in the Armed Forces, the increased complexity of the military environment asks for better and appropriate procedures in order to have the logistics system functional and fully operational. Therefore it is worth having a list of doctrinal principles for the logistics:

1. Ensure supply and provision of personnel, fighting systems and all logistics materials at the right time and place;
2. Keep a reasonable reserve to meet emergencies resulting from cutting the supplies;
3. Distribute logistics materials on different lines;
4. Ensure the independency and self sustain of each line and the ability for mutual support between all lines.

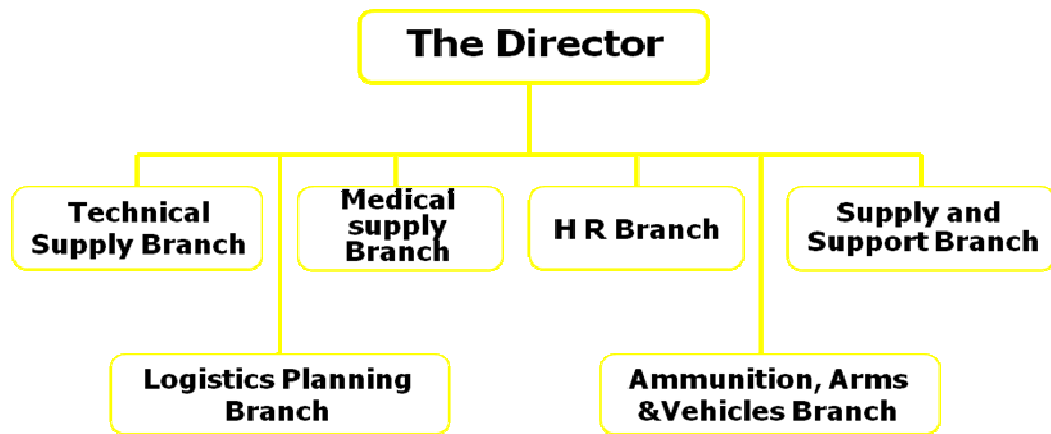
Logistics support organization structure

Below you may have a snapshot presenting the organization of logistics in JAF, at various hierarchical levels.



The Directorate of Joint Logistics Supply structure

This Directorate is actually the very heart of the supply part in the logistics system in JAF and its main structures are shown in the picture below.



The Directorate of Joint Logistics Supply duties

The responsibilities of the structures presented above are as follows:

1. Planning and supply to provide JAF with all essential logistics requirements (weapon, vehicles, equipment, and ammunition);
2. Planning & supply to provide JAF with clothes, furniture, military equipment;
3. Technical Support Planning;
4. Rations and Fuel Supply Planning;
5. Controlling all logistics materials (supply, issue, provision, elimination out);
6. Carrying out the necessary studies concerning logistics support;
7. Preparing the logistics plans in accordance with the operations' plans produced by the Directorate of Joint Operations and reviewing these plans whenever necessary.

The Directorate of Defense Procurements roles

This Directorate comprises a central procurement organization to achieve the following goals:

- Control the expenditures and the economical use of financial resources.
- Execute comprehensive procurement programs.
- Adapting purchasing policies that can support local industry.
- Developing finance administration to serve future purchasing policy.

The Royal Maintenance Corps Command roles

The Royal Maintenance Corps Command has an effective role in supplying the Armed forces and maintain its readiness in regard to arms, vehicles , equipments, tools, systems , spare parts , carrying out regular and permanent maintenance and execute recovery & evacuation operations which facilitate the troop's mission to perform its tasks under all conditions and at all times.

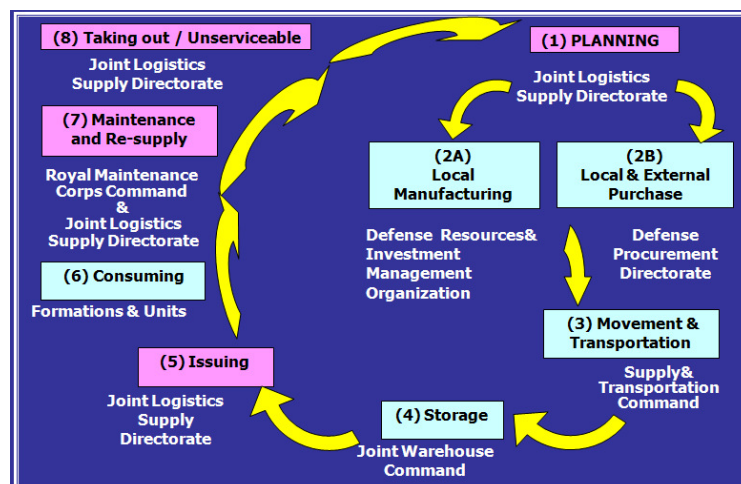
The Main Roles of Field Medical Command (FMC)

As medical-related aspects play an important role in performing logistics support, the JAF have also a specialized structure in this respect. Its main roles as summarized bellow:

- This unit is controlled operationally and logistically by the logistics organization command in concern to medical support plans. The medical battalions deployed with combat units are linked technically to FMC;
- Its mission is executing the medical plans and making the essential plans to medically train the combat units.

The Logistics System Cycle

Of course, the full picture would not have been complete without a look into the logistics system cycle. As long as the provision of logistics support is a process spanning on several years and across different fields of activity, the picture below tries to bring some light on this matter.



CONCLUSIONS

1. Benefits of Using Supply chain management in JAF

The improvement brought by the use of supply chain management, JAF achieved lower operational expenses with timelier planning for procurement, manufacturing and transportation. Better order, product and execution tracking which lead to improvements in performance and quality - and lower costs.

With the increased visibility of stock and the use of a modern IT network into the supply chain, JAF supply chain became be more responsive. Needs can be sensed and responded to faster and more appropriately.

Improve inventory management, facilitating the successful implementation Different Stocking models and reducing the strain on Warehouses and financial resources incurred by the storage of excess components and finished goods.

Enable more effective demand planning to meet Consumption levels and contingency stocking and effectively address JAF requirements – without the shortages that result reduced combat readiness levels.

Improve relationships with vendors and distributors, so that purchasing and logistics professionals can identify cost-cutting opportunities such as volume discounts.

2. The JAF logistics system relies on the same main pillars as the ones used in the other armed forces in the world with some specificities coming from the experience and history of the country.

The existing logistics structures and the associated roles and responsibilities fully answer to the needs to have modern logistics in support of the JAF.

Probably one important aspect to be mentioned in relation to the JAF logistics system is related to the preference for the local manufacturing sector to provide the necessary goods and services if available.

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BUDGET ISSUES AND CHALLENGES FOR THE MODERN MILITARY

LTC Luigi-Dumitru BARCAN

CONTENTS

Introduction

- I. **Chapter 1 Military budget trends**
 - 1. Section 1 Romania budget trend
 - 2. Section 2 Figures about Military spending
- II. **Chapter 2 Fiscal consolidation**
 - 1. Section 1 Fiscal consolidation and impact on defense
 - 2. Section 2 Public debt figures
- III. **Chapter 3 European fiscal crisis risks and opportunities**
 - 1. Section 1 Challenges and issues for NATO and EU
 - 2. Section 2 Issues for NATO, US and EU

Conclusions

References

BUDGET ISSUES AND CHALLENGES FOR THE MODERN MILITARY

INTRODUCTION

The world financial crisis that started in 2007 still ravaging the economy of European countries, more damaging the fragile balance of governments' budgets after almost 5 long years in despite of the effort made by policymakers while reasoning the austerity solution on recession.

Public finance has a privileged position in all modern states as a social and economic component using the most part of country's Gross Domestic Product in a political process to apportion it in order to achieve the well being of a nation, by stimulating the economic development and adjusting some malfunction elements of the economic cycle.

Government has in GDP the major indicator of economic performance of the country and it is subject to growth or contraction as a result of efficiency spending and overall administrative cost.

Contemporary western military budgets reflect structural damage of economies and sovereign debt crisis as well, but also reflect a new culture in spending money triggered by ongoing politically and strategically changes from a globalized and regionalized perspective.

The basic question for a country that faces with the financial crisis is how to save more money in austere economic conditions. The actual trend in saving money is to shrink military budget and redirect the savings to boost the economy.

In the context with the trend of military expenditure downsizing some countries could take advantage of the situation and increase their military spending with the purpose of recover the differences in force structures and capabilities to reconfigure the actual world order of major military players and military alliances as well.

People and countries are looking for opportunities in every situation as for a new and more powerful military and this is natural, as common sense is sustaining economic recovery as a first priority.

A balanced political approach may be needed to avoid radical changing in the military during a turmoil time, as long as history still reminds us about the tragedy of lost wars or about how difficult was to win the wars. Countries are acting in a highly

complex and interconnected world which continues to change, therefore it is important to put the budgetary trends budgets into a broader international context.

I. MILITARY BUDGET TRENDS

Scarcity is embedded into any budget for the reason that no matter how much money we have in a given budget there will always be a problem of not having enough money for spending.

The scarcity embedded into military budgets should compels us to budgetary choices from a rational perspective instead of an emotional or a philosophical one for the reason we need a sturdy quantifiable analysis to compass our present military thru a more dynamic changing environment and a less understandable future threats.

Worldwide military spending can be evaluated in two ways: by the allocated GDP percentage and by the amount of money spent. These two indicators must be evaluated together in a political and strategic context for an accurate determination of the trend.

Actually we can identify three current trends on military spending driven by so called “good choices” instead of “hard choices” on the run of cutting wasteful military expenditure as follows: slowdown spending, increase spending and maintaining a certain level of spending.

When defining “good choices” and “hard choices” it must be understand as a political reason to not harm the defense of a country and to not damage the trusted military function of a state. The “trend approaches” give us a better understanding of different military culture and believes.

The largest trend is slow downning military expenditure and it is more related to western countries, under threat or in a secure environment, affected by financial crisis and recession due the globalization and regionalization of economy and finance but not only. In this trend must be included a country that decides to follow this trend for other reasons as: cultural and political.

The second largest trend is increasing military expenditure and it is related to emerging countries that are struggling for more economically and politically influence and access to more natural resources, on the ground of securing future strategic development.

The last trend is maintaining the current status of military expenditure regarding the GDP percentage or the amount of money apportioned to the military or both together, on the basis of a secured environment.

Excellent pictures of the military spending is provided by Stockholm International Peace Research Institute that monitor describe and analyze military budget trends from all over the world by processing available data from 172 countries.

While most of NATO member countries have decreased their defense expenditures as a worldwide trend, the spending trend of some major military actors has impetuously moved for increased military spending.

Stockholm International Peace Research Institute on World Military Expenditure 2010 released data, point the countries where defense spending gather speed in the last 10 years of growth as: China by 189%, India by 54%, Russia by 82% and Brazil by 30%.

I.1. Romania budget trend

With the Romania accession to North Atlantic Treaty Organization Alliance and European Union a change has come in Romanian economy and defense culture regarding an evolution from an official or a friendly assisted country to a donor country, in terms of cooperation for international development and security provider.

This not means the Romanian internal and international needs are disregarded but it is an official invitation to change mentality from an assisted and beneficiary entity to a country that actively sustains economic and military objectives of NATO and EU.

It is not a new initiative for multinational environment because it has existed for more than 50 years but in the present day it comes with criticism especially from donor countries, in the context of economic imbalance, financial crisis and recession, for better and more tangible results.

Romania like the other member countries has begun to comply with international organizations, communities and alliances on the ground of solidarity, becoming a security contributor even if the economy is confronting the biggest crisis since the Great Depression.

Co financing represents an innovative measure to develop specific economic and military projects, due to lack of liquidities at a worldwide level, when life quality of the population is considerable decreasing, and it has the advantage of financing at a

lower price than the market one as a public long term credit: over 20 years credit, low interest rate and a granted grace period.

Another solidarity approach is on developing military capabilities as it is “Smart Defense” concept developed by NATO and “Pooling and Sharing” concept developed by EU, as result of a high level of confidence and commitment inside the organizations and the answer for an optimized spending.

Modern world economic problems repetitively showed up in the most dynamic economies and it was never triggered by conservative economies but even so they all suffered together because the phenomena of globalization and regionalization.

The relative cycle of negative results of economical and financial imbalance allow the time needed for specialists in the field to study these phenomena in order to identify the proper packages of actions that made possible the development of an economical culture, fertile to promoting personalized models at interstates level for achieving a win-win situation instead of unfortunately lose-lose situation.

I.2. Figures about military spending

The data available¹ for military spending can be tabulated as below, and it shows that when Romania allocated 0.8 percentages from GDP for the fiscal year 2011 was on trend but out of the normally estimated margins.

Country	FY 2007	FY 2008	FY 2009	FY 2010	Trend for FY 2011 reported to FY 2010
	GDP %	GDP %	GDP %	GDP %	GDP %
Romania	1.5	1.5	1.4	1.3	↓ -0.3
Bulgaria	2.5	2.0	2.0	1.4	↓ -1.1
Serbia	2.5	2.3	2.4	2.2	↓ -0.2
Hungary	1.3	1.2	1.1	1.0	↓ -0.4
Ukraine	2.9	2.7	2.9	2.7	↔ 0.0
Moldova	0.5	0.6	0.5	0.3	↓ -0.3
Russia	3.5	3.5	4.3	3.9	↑ +1.2
Georgia	9.2	8.5	5.6	3.9	↓ -8.2
Turkey	2.3	2.3	2.6	2.4	↑ +0.4
Germany	1.3	1.3	1.4	1.4	↑ +1.5
France	2.3	2.3	2.5	2.3	↑ +0.2

¹ Stockholm International Peace Research Institute, www.sipri.org

Country	FY 2007	FY 2008	FY 2009	FY 2010	Trend for FY 2011 reported to FY 2010
	GDP %	GDP %	GDP %	GDP %	GDP %
U.K.	2.3	2.5	2.7	2.6	↑+1.6
Canada	1.2	1.3	1.4	1.5	↑+0.4
USA	4.0	4.3	4.8	4.8	↑+1.3
China	2.1	2	2.2	2.1	↑+0.2

Romania and its neighbor countries apportioning GDP percentage for military expenditure in the fiscal year 2010 situation is presented in the table above and the hierarchy position is: **1.**Ukraine with 2.7%, **2.**Serbia with 2.2%, **3.**Bulgaria with 1.4%, **4.**Romania with 1.3%, **5.**Hungary with 1.0%, **6.**Moldavia with 0.3%.

The coastal countries to Black Sea presented in the table above shows a hierarchy position driven by GDP percentage allocated for military expenditure in the fiscal year 2010 as: **1.**Georgia with 3.9% and also **1.**Russia with 3.9%, **2.**Ukraine with 2.7%, **3.**Turkey with 2.4%, **4.**Bulgaria with 1.4%, **5.**Romania with 1.3%.

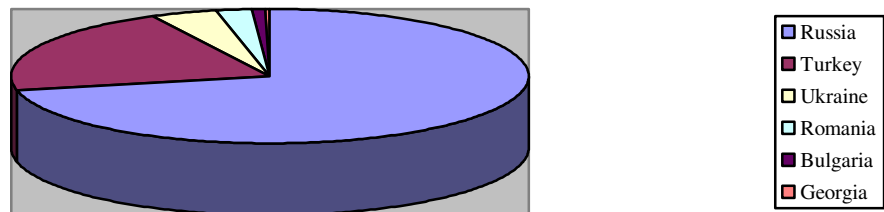
The real amount of money allocated for military spending presented in the table below for Romania and its neighbor in the fiscal year 2011 in hierarchy position is: **1.**Ukraine with 3.747 Billion US \$, **2.**Romania with 1.945 Billion US \$, **3.**Hungary with 1.287 Billion US \$, **4.**Serbia with 0.805 Billion US \$, **3.**Bulgaria with 0.722 Billion US \$, **6.**Moldavia with 0.018 Billion US \$.

Romania and coastal countries to Black Sea spent in the fiscal year 2011 the amount of money presented in the table below and the hierarchy position is: **1.** Russia with 64.123 Billion US \$, **2.** Turkey with 18.687 Billion US \$, **3.** Ukraine with 3.747 Billion US \$, **4.** Romania with 1.945 Billion US \$, **5.** Bulgaria with 0.722 Billion US \$, **6.** Georgia with 0.371 Billion US \$.

Country	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Billion US \$	Billion US \$	Billion US \$	Billion US \$	Billion US \$
Romania	2.417	2.664	2.265	2.086	1.945
Bulgaria	1.181	0.989	0.940	0.690	0.722
Serbia	0.943	0.915	0.872	0.845	0.805
Hungary	1.819	1.690	1.506	1.351	1.287
Ukraine	4.137	4.048	3.594	3.710	3.747
Moldova	0.027	0.033	0.024	0.018	0.018
Russia	51.275	56.892	59.565	58.644	64.123
Georgia	1.047	0.994	0.606	0.454	0,371
Turkey	16.553	16.767	17.966	17.649	18.687

Country	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Billion US \$	Billion US \$	Billion US \$	Billion US \$	Billion US \$
Germany	42.877	44.107	45.769	45.075	43.478
France	61.264	60.654	64.747	59.098	58.244
U.K.	55.730	58.217	59.350	58.099	57.875
Canada	18.980	20.454	21.389	23.109	23.082
USA	585.749	629.095	679.574	698.591	689.591
China	87.73	96.663	116.666	121.064	129.272

For a more visual interpretation for money spent in the military around Black Sea the chart below illustrates the fiscal year 2011 for the figures presented in the table above.



II. FISCAL CONSOLIDATION

Fiscal consolidation is a policy intended to reduce deficits and debt by adjusting expenditures and boosting long-term growth. According to the specialists in the field of finance and economics this policy of fiscal consolidation is a must for all countries being in recession or not.

Fiscal problem become the major concern for governments as public spending demand increased in response of recession and budgets deficits expansion fuelled the sovereign debt to a level never encountered before, making money to expensive and credit less and less available.²

European governments are politically, strategically and socially involved in fiscal consolidation to put national budgets on a more sustainable basis but in the absence of a common European fiscal policy and without a global policy with US for global reforming this is difficult task.

² www.nato-pa.int, Confronting a Difficult Budgetary Environment: Economic Crisis, Fiscal Consolidation and the Risk Of Europe's Strategic Irrelevance General Report

Huge fiscal debts encountered by many countries and the high rate that mount the debt in the other countries regardless of a mature or an emerging economy, still has the solution on a natural growth.

Demographic trends as ageing of nations will also work against constant and rapid growth as diminishing the human resource and becoming less productive, but this is a problem that governments cannot solve on short or medium terms.

Fiscal consolidation is related with political implications and can rapidly engage an ideological debate about taxes, disputes about social groups which have to bear the burden of spending reductions, making impossible the necessary timing for action.

Even so a politic will is imperative to move from primary deficits to primary government surpluses which are easily generated through major spending cut offs and revenue generating actions.

The fiscal health of different countries will be conditioned by their current level of governmental debt, their pursuit for growth, their business actions on economic cycle trajectory and the will to adopt a proper personalized position among international policies as a bridge for a much needed assistance.

Reduction of expenditure approach for fiscal consolidation may be painful on short term, but these measures can have great benefits on long term because they lower debt load, ease borrowing pressures and drive down long-term interest rate, and last but not least encouraging private investments.

Another way that helps fiscal consolidation is job creation because all lost jobs during recession threatens to become structural or permanent and may inflict long-term damage on labor markets.

II.1. Fiscal consolidation and impact on defense

As an action for fiscal consolidation governments will start spending money for debt interest and this trend put enormous pressure on downsizing discretionary budgets including defense expenditure, but must be reminded that fiscal consolidation means not deep austerity.

A generous defense budget allocation seems to be away from nowadays priorities and its dimension depends on how the state responds to this very serious challenge and the speed at which it adjusts and finds solutions for more liquidity.

Inertial culture of spending is related to comfort for not assuming unnecessary risks and is a matter of responsibility to identify “black holes” in military management to eliminate the “waste of money” for nonessential spending.

Restraining costs and increasing efficiency is essential for ensuring a reduced defense spending and a reasonable purchase of capabilities, maintaining a force structure on desired readiness level at reasonable costs.

Fiscal consolidation and strategic economic and military realities must be connected for improvement, thinking about a smarter and more jointly approach is the key for surmounting the tensions between.

Members of NATO and EU organizations have been striving for long time for greater efficiency in military expenditure, while real change has been far more difficult to realize because of the persistent prerogatives of countries and the triumph of national politics over a collective efficiency as a joint is.

Fiscal consolidation and rational military are concerning mainly national matter but in the same time it is about multinational responsibility, understanding and collectively support.

Large debate is ongoing about the right strategy to follow on fiscal consolidation and because diversity and visible side effects of using some strategies there is a lack of consensus about them, but all specialists agreed for a necessary fiscal consolidation.

II.2. Public debt figures

A complete picture of public debt data for European countries³ is presented in the table below and shows that the Maastricht Treaty criterion for a restricted debt level to maximum 60% of GDP was routinely ignored in many countries.

Country	GDP (Billion Euro)	Deficit/ Surplus (% GDP)	Expenditur e Budget (% GDP)	Revenue Budget (% GDP)	Public Debt (% GDP)
	FY 2010	FY 2010	FY 2010	FY 2010	FY 2010
Belgium	352,30	-4,10	53,10	48,90	96,80
Bulgaria	36,03	-3,20	37,70	34,00	16,20
Czech Republic	145,10	-4,70	45,20	40,50	38,50
Denmark	234,60	-2,70	58,20	55,30	43,60

³ www.zf.ro/business-international

Country	GDP (Billion Euro)	Deficit/ Surplus (% GDP)	Expenditur e Budget (% GDP)	Revenue Budget (% GDP)	Public Debt (% GDP)
	FY 2010	FY 2010	FY 2010	FY 2010	FY 2010
Germany	2.498,80	-3,30	46,60	43,30	83,20
Estonia	14,50	0,10	40,00	40,10	6,60
Ireland	153,90	-32,40	67,00	34,60	96,20
Greece	230,00	-10,50	49,50	39,10	142,80
Spain	1.062,50	-9,20	45,00	35,70	60,10
France	1.947,50	-7,00	56,20	49,20	81,70
Italy	1.548,80	-4,60	50,50	46,00	119,00
Cyprus	17,40	-5,30	46,60	41,30	60,80
Latvia	18,10	-7,70	42,90	35,20	44,70
Lithuania	27,40	-7,10	41,30	34,20	38,20
Luxembourg	41,50	-1,70	41,20	39,50	18,40
Hungary	98,44	-4,20	48,90	44,60	80,20
Malta	6,20	-3,60	42,30	38,70	68,00
Nederland	591,40	-5,40	51,20	45,90	62,70
Austria	284,00	-4,60	53,00	48,30	72,30
Poland	354,70	-7,90	45,70	37,80	55,00
Portugal	172,50	-9,10	50,70	41,50	93,00
Romania	122,00	-6,40	40,80	34,30	30,80
Slovenia	36,00	-5,60	49,00	43,40	38,00
Slovakia	65,90	-7,90	41,00	33,10	41,00
Finland	180,30	-2,50	55,10	52,30	48,40
Sweden	346,30	0,00	53,00	52,70	39,80
United Kingdom	1.710,10	-10,40	50,90	40,60	80,00

III. EUROPEAN FISCAL CRISSIS RISKS AND OPORTUNITIES

The financial crisis impact on defense might be an opportunity assuming that a shrieked budgets increase the pressure on member states to cooperate and thus to overcome the problems related to capability development and restructuring of the defense industries.

In the same time financial crisis impact on defense may be a risk because above the rhetoric and initiatives for more cooperation and less national influence on NATO and EU organizations, national prerogatives still dominate.⁴

⁴ Directorate-General for External Policies of the Union, Directorate B Policy Department, Study, The Impact of the Financial Crisis on European Defense, EXPO/B/SEDE/FWC/2009-01/LOT6/11 APRIL 2011 PE 433.830 EN

When countries focus on national authority only over its own force structures and capabilities continue to dominate current financial circumstances, under the risk to implement cuts in their military in an uncoordinated way. As a result, member states of NATO and EU organizations might end with potentially even bigger capability gaps than they have today.

Usually a multistate defense organization is built because states are unable to guarantee their security individually and this has been the starting point of the European Security and Defense Policy.

Even that the European forces use fight together they still prepare for these operations individually and more understanding of the situation is the case for current capability generation and development in Europe through defense planning and the armaments process is characterized by an excess of arrangements.

The general response of member states facing the financial crisis is to evoke the traditional pattern of national prerogatives, but more recently new opportunities surfaced for a number of bilateral and multilateral initiatives for capability development.

These capabilities are mainly built on existing frames and it remains to be seen whether these initiatives will support or undermine the current efforts to European capability development.

Bringing these initiatives into support of CSDP, it would consider as first resort to be placed under the EU-framework, secondly it would adapt the capability development framework to the realities of austerity, and finally it would be linked more closely to defense industry and technological availability on capability development.

III.1. Challenges and Issues for NATO and EU

We have a clear understanding about known challenges in the EU defense sector to deliver operational capabilities and this is a start for defense transformation on member states capabilities regarding to current and future threats.

Another problem is duplication of capabilities and defense industrial infrastructure. It is a fact that a formula for capabilities and industrial infrastructure development in EU from a complementary perspective to NATO and US capabilities

is now in place. There are difficulties known as different approaches for collectively defense as long as NATO is committed related and EU is willing related.

On the other hand a constructive duplication will make to boost the trust between nations and make their military more redundant to win in a conflict or war. This redundant duplication is regarded in some degree with suspicion, particularly in the US, which is worried that it might damage NATO commitments.

In the particularly of this very sensitive problem the solution might be that Europe should focus as an initial stand on logistical assets that are essential for military operations and are scarce even in US forces: for transport, communications and intelligence.

This approach would allow the EU to conduct military operations without relying only on US support and would also increase European influence over US decisions about the use of military force.

As a result of efforts made by the US to transform its military capabilities, and the speed of that transformation, European military forces are losing the ability to work in coalitions with US forces.

Unless an action will be taken in this direction, European forces will no longer able to form viable coalitions with US forces due to their poor availability and European allies will become less valuable to the US.

American forces have always been different to those of its European allies. Strategic responsibilities give US defense policy a large perspective shared only by few European countries.

The public tolerance of high defense spending in US is not common for European states where there is a reluctant attitude for high military expenditure and where the major concern is about: quality of medical care, viable social security pensions, education and environment.

To cope with NATO's expanding responsibilities and the challenges to Allied defense budgets, NATO aims to improve co-operation among Alliance members under "Smart Defense" initiative and focus on prioritization, specialization and multinational co-operation in the acquisition of modern equipment.

III.2. Issues for NATO, US and EU

Another American concern about its European allies is that they are not keeping pace with US military innovation. Reports on burden-sharing conclude that

innovational failure by many of NATO's European members could not render them incapable of operating alongside US forces in future military conflicts.

The problem is not that European countries are failing innovate the military, but consider that US and its European allies are having different priorities for their military forces for medium and long term.

Many European countries do not perceive the same magnitude of new threats or imagine themselves fighting the kinds of wars that are driving US innovation and so it is not a priority adapting their military forces to ensure the desired outcome in conflicts as US did.

When expectations were more closely aligned, Europeans governments would be more constrained by the size and allocation of funds in their defense budgets and as result European NATO states spend much less on R&D, buy fewer weapons, and give preference to national companies in the purchase of their weaponry and consequently Europeans are developing fewer innovations and experiencing less change in the most advanced military capabilities field.

In most European countries it is accepted the fact that US has the leading role on military innovations and so they wait for the US to provide the innovation, and after adaptation and implementation they could conduct their own operations.

Because the US forces are organizing and training differently to their European allies, it will be increasingly difficult to make the US capabilities of an operation work as one with the European capabilities.

Another challenge is in place by the different focuses for improvement since US is concentrating on high-technology improvements – such as striking targets precisely from remote distances, and integrating air and ground operations, in contrast with EU countries that are focusing on crisis-management – getting forces into a region in a timely way and establishing basic communications for passing information within a multinational force.

It is still on debate if EU will need to develop an identifiably different approach to warfare from that practiced by the US driven by a significant decrease in military spending, on the ground currency strength.

Certain budget constraints has major impact on building a force that is capable of operating without US support, with new ways of carrying out the military actions, with lower costs that makes unaffordable to replicate US models.

EU members may have to make same cultural changes and mentality changes in order to abandon some inherited national autonomy for the purpose of pooling

resources, buying the necessary equipment and systems, delegate decisional authority.

Worrying about the rapid changes in US forces is not an option for EU countries and they should “welcome” instead for the opportunity of financial crisis to develop a new military and a different strategic perspective.

This is more than a challenge to European countries as it is a unique chance to build affordable capabilities that do not require a major increase in European defense spending, to develop new ways of working in coalitions.

NATO's European countries are preoccupied to develop a new framework, able to project and deploy forces in a genuinely autonomous way, based on cost-effective means and the high-end capabilities that will not compete for resources with US.

CONCLUSIONS

The “Smart Defense” initiative, which was agreed upon at the Chicago Summit, is necessary and worthy. The current financial crisis and economic recession continues to put considerable strain on Allied defense budgets when making the necessary transformation of our military, but it remains to be seen how it will be implemented by the Allies.

The most challenging for European countries, is to surpass the situation of underinvested in military equipment over the years, in the context of even further shrink of military budgets will limit the improvements in modern military capabilities.

More relevant is the fact that United States is facing similar budgetary downsizing pressure while security focus is shifting to East Asia, and is just a matter of time till European Allies will take a bigger slice of world responsibilities.

The budget military issues has huge audience in every country and for that reason it must be emphasize that a budget contraction is not related only to spending, but is related also to low revenue and this involve us all to find the right answers.

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A CRITICAL ANALYSIS OF THE PLANNING, PROGRAMMING, BUDGETING AND EVALUATION SYSTEM

LTC Daniel Valeriu MARIN

CONTENTS

Introduction

- I. Necessity of defense planning**
- II. Planning - basic function of management**
- III. The mechanism of Planning, Programming, Budgeting and Evaluation System**
 - 1. Overview of PPBES
 - 2. Building defense budget
 - 3. Advantages and disadvantages of implementing PPBES

Conclusions

References

INTRODUCTION

The Ministry of National Defense introduced the multi-annual planning, programming and budgeting system, in 2000, which expresses and makes public the carried out activities, objectives, how the integrated management of resources are used for defense, thus expanding the scope of civil and democratic control over the military.

Military planning imposes to determine the necessary defense capabilities in order to establish the steps to be taken to achieve the decisive objective - a modern, flexible, less numerous, but well equipped and trained army, with a high level of interoperability.

The system is a set of elements in interaction, which is organized as a whole, with specific properties and own functions, different from those of its parts, a distinct and relatively autonomous formation in relation with the environment, identified in any domain (physical, biological, social, etc). Elements of the system are, in turn, subsystems, that work and operate in a similar manner.

Thus, we considered the Ministry of National Defense as a system itself. It is composed of subsystems such as General Staff, departments, directorates, that can act as independent systems. These systems, in turn, generate other subsystems, such as Land Forces Staff, Air Force Staff, Navy Staff, Joint Logistic Command etc. Ministry of National Defense, together with other ministries and government agencies, is part of the Romanian Government.

In terms of Planning, Programming, Budgeting and Evaluation System (PPBES), Ministry of National Defense manages eight major programs, which, in turn, are composed of subprograms. These programs and subprograms interact and interrelate mutually. All programs are primarily aimed to allocate the human, material and financial resources.

To manage the financial resources we have as input allocated budget credits, incomes from services and valorizations. Outputs of the system are the results of annual plans to modernize and train Romanian Armed Forces, which are elements of multiannual plans, updated in accordance with the progress of them and agreed with the financial resources that are allocated to the Ministry of National Defense.

I. NECESSITY OF DEFENSE PLANNING

Romania's national defense planning is an activity which set the volume, structure and allocation of natural, human, material and financial resources to accomplish the fundamental national security goals in the armed defense area.

Defining and prioritizing objectives, in the military dimension of national security, setting policies and strategies in this area, including sizing of forces in conditions of limited resources are key elements which justify more than ever the planning process.

Decrease or establish ceiling funds for military expenditures has required implementation of new systems of planning, where the principle of "strategy determines military spending" was changed to "resources determine the defense strategy "

Defense planning areas are:

- a) force planning;
- b) armaments planning;
- c) resources planning;
- d) logistics planning;
- e) planning for command, control, communications;
- f) planning for civil emergencies.

Priorities of defense planning are:

- strengthening Romania's profile within NATO;
- development of Romania's contribution to European Security and Defense Policy;
- employment in the fight against terrorism and proliferation of weapons of mass destruction;
- increasing contribution to regional security and stability;
- transformation of Romania's defense capacity.

The defense planning decision systems are:

- Security and Defense Strategy System that is the main system for debate and decisions at highest level regarding national security and defense policies requiring presidential decision;
- Strategic Planning System, at General Staff level, where is done the evaluation of risks and threats, the development of strategies, visions, strategic

scenarios, doctrines, concepts, operational requirements, force structure development and implementation;

- Operational Planning System that means the development of strategic and operational plans for military operations, at strategic, operational and tactical levels;
- Planning, Programming, Budgeting and Evaluation System.

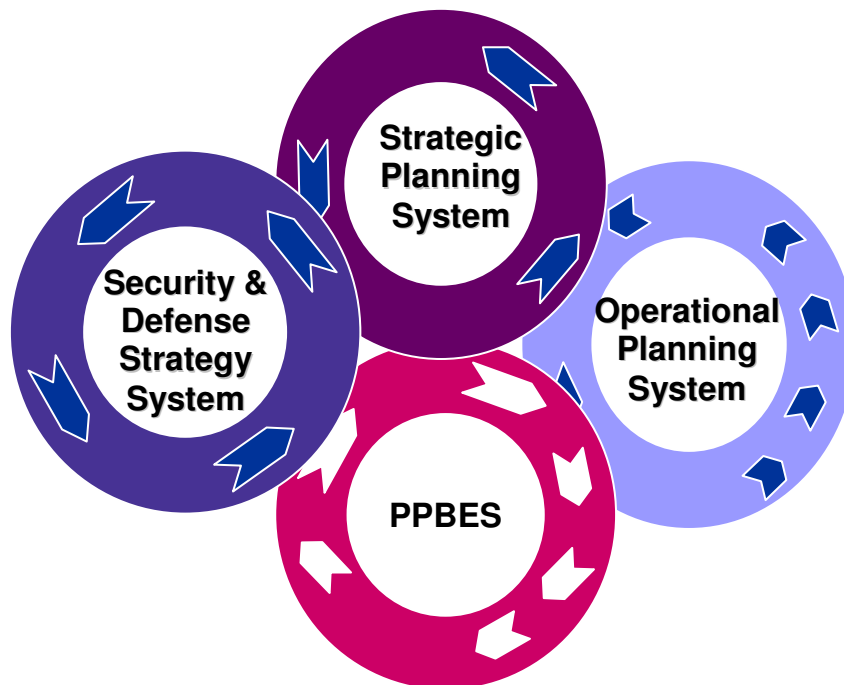


Fig. 1 The Defense Planning Decision Systems

II. PLANNING - BASIC FUNCTION OF MANAGEMENT

National defense planning is one of the basic functions of state, directly related to decisions on defense and associated with other management functions. Its content includes various forms and ways of creating and using economic and military potential for national security.

According to the law [1], defense planning, as attribute and essential component of defense policy, is a complex of activities and measures to promote national interests, defining and fulfilling the objectives of Romania's national security defense.

Planning is done on two levels:

- national;
- departmental level: ministries, public institutions responsible for defense, public order and national security.

At national level two major documents are issued:

- National Defense Strategy,
- Government Program.

Departmental defense planning process involves developing following documents:

- White Paper on Defense,
- Military Strategy of Romania,
- Defense Planning Directive,
- Major Programs,
- Operational plans to use forces.

Also, in this phase, various studies and analyzes are performed, to provide information on important issues of planning and long term plans, aimed to focus the efforts of involved structures.

Defense Planning Directive aims to provide directions for developing programs and providing major MoND funding limits for the next six years. It is based on the National Security Strategy, White Paper on Defense, NATO Ministerial Directive and Military Strategy of the Defense Planning, and includes directions for action in defense, the general priorities of the Ministry of National Defense, the specific objectives of each major program and distribution financial resources.

The role of national defense planning is given to the need to identify and mobilize resources for all political, diplomatic, human, economic and financial, information, national security and public order, moral, social, cultural and military areas, to defend the state independence and sovereignty.

Being only an inalienable attribute of authorities under the Constitution, national defense planning assumes great importance because it is itself based on political choices and decisions made by Parliament, President, and Government and of other political institutions with responsibilities in military domain.

At Ministry of National Defense level, the defense planning includes all activities that establish missions, objectives, priorities and resources aimed to support their accomplishment. They regard the combat forces projection, command and control elements and administrative units, and the volume, structure and allocation of resources to accomplish the objectives set out in documents issued at the political level which, essentially, is the process of determining the needs.

Multi-annual planning is the process that establishes and underlies the objectives and tasks assigned to the Armed Forces, and their resources for a

specified period, to ensure the necessary conditions to implement the responsibilities set by defense planning documents at national level.

Multi-annual plan aims to guide the military system on the size, structure and its evolution, from economic, financial, political and social views, in the following:

- possible development of political and military situation;
- existing and increasing risk factors to the independence, sovereignty and national integrity;
- human, financial and material resources that can be designed to ensure readiness of tactical and operational units;
- estimates for combat equipment and materials for military purposes made by domestic companies, acquisition from import of military equipment not produced in the country and creating products for military equipment in the country, using imported components;
- trends and developments in technical and tactical characteristics of weapons and basic combat equipments;
- the role and place of services within the operational and strategic defense system.

Multi-annual planning cycle is the core element of Planning, Programming, Budgeting and Evaluation System (PPBES), the main instrument to ensure the sustainability of the process.

III. THE MECHANISM OF PLANNING, PROGRAMMING, BUDGETING AND EVALUATION SYSTEM

3.1. Overview of PPBES

Implementation of the Planning, Programming, Budgeting and Evaluation System in the Ministry of National Defense began in 1999, supported by US experts from the Institute for Defense Studies. Implementation process lasted until 2002, when the system became operational in Romania.

The main goal of PPBES is to integrate the efforts of Ministry of National Defense to use available resources in an efficient way, to achieve the planned military capabilities.

PPBES provides management needs at departmental level and the operational objectives of the system are following:

- to achieve compatibility between objectives and resources;
- to operate in an unitary way to ensure the integrated management of the allocated human, material and financial resources;
- strengthening accountability in achieving program objectives, ensuring effective management and use of financial funds by credit holders.

Within the MoND, the main organizations and actors who assure the well function of the system are:

- The Defence Planning Council (DPC) – the most important instance, that joins together the highest representatives of the ministry, being chaired by the minister; through its members, it creates the most representative picture of the integrated approach existing at MoND level;
- Defence Integrated Planning Directorate (DIPD) manages and controls all defence planning and budgeting activities and administrates the planning, programming, budgeting and evaluation system, at MoND level;
- Program managers (PMs) and their staffs; in the field of resources management, the PMs are directly responsible to the minister and they don't follow the operational chain of command.

PPBES works as a very complex mechanism and has four interrelated phases, where the goals, objectives, performance indicators and money are correlated.

Planning is a complex of activities which set the volume, structure and allocation of natural, human, material and financial resources, necessary to accomplish the established objectives. In essence, it is a process for shaping requirements.

Programming includes clearly defined and specific activities of the organization, for a period of six years, designing the force projection, highlighting the forces package, their operational capacity, procurement of major equipment, infrastructure, estimate the annual cost within the budgetary allocations and the establishment of synthetic indicators for evaluation. Programs are developed for a period of six years and reviewed annually.

Budgeting is the stage where the costs involved in the objectives, activities, assignments, nature of expenditure and years are included and grouped by budget classification structure, resulting in projections of financial resources program, which will be the basement for the draft of annual budget.

Evaluation is a regular process of quantification and analysis of the performance, which ends with concrete measures to meet standards and operational

requirements embodied in the major program objectives. In this phase some questions are raised: what do we need to do for the future, what is the outlook for the resources we need to fulfill the goals set?

The requirement to evaluate the resources management is not something new, but the advantage of using PPBES is that it gives confidence to the relationship of the financial reports with the performance reports, for a better recognition of the sources of the identified concerns.

The results of evaluation are materialized through periodic information and reports regarding the major programs. Measures and proposals resulting in these reports are intended to present difficulties, to eliminate malfunctions and to propose solutions to meet objectives with available resources.

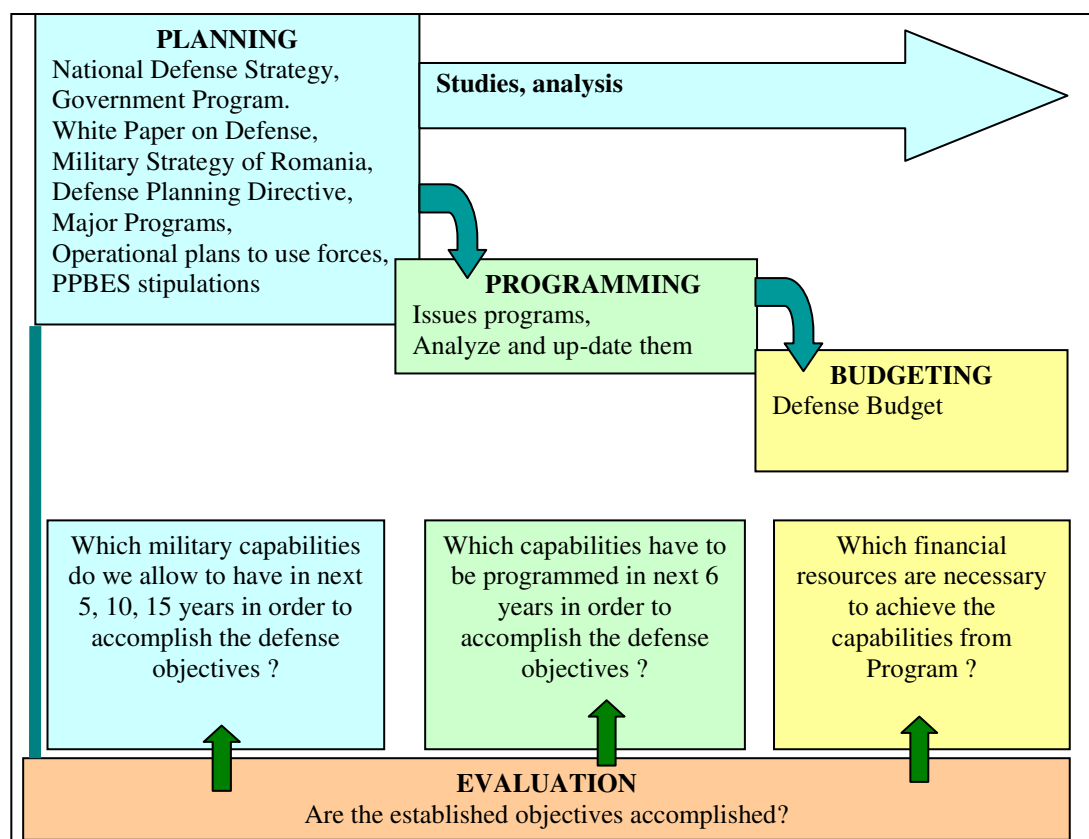


Fig. 2 PPBES Chart

Curently, the Major Programs of the Ministry of National Defense are:

- "Land Forces";
- "Air Force";
- "Naval Forces";
- "Logistic Support";
- "Staff General / Strategic Management";

- "Central Administration and Pensions";
- "Defense Intelligence";
- "International Representation".

Each major program is structured as: Program Name, code, Program Manager, aim, objectives, indicators, costs, subprogram, subprogram elements, expenditure categories.

The requirements for them are:

- must be comprehensive (nothing can be done & no money may be spent outside the program framework, they shall account for all money to be spent on defense);
- must be mutually exclusive;
- minimum number necessary to support decision process and should be manageable;
- should ensure the feasible distribution of responsibilities among program managers, who should have a stake in the good design and successful implementation of the program.

3.2. Building defense budget

The defense budget is a document thought are provided and approved every year the revenues and expenses or only the expenses of the Ministry of National Defense.

The defense budget is influenced by:

- economic environment;
- the commitments and undertaken obligations as member of NATO, EU and other international organizations;
- changes in political and security.

The defense budget consists of:

- state budget;
- external credits;
- extrabudgetary revenues.

The budget reflects the program costs translated into economic classification, for one year, with greater detail. The budget is a detailed financial plan (on credit holders, quarters, chapters, subchapters, articles and paragraphs), used to implement the first year of the program. First year of the approved program is the basis for budget project design.

“Program budgeting is a means of identifying the functions of defense forces and the costs of these forces. The budgeting phase was designed “to assist in planning and coordinating defense budget”. Budgeting provides the framework for undertaking cost-effectiveness studies which estimate the cost and defense effectiveness of alternative force arrangements and various weapon systems in relation to some specific objective”. [8]

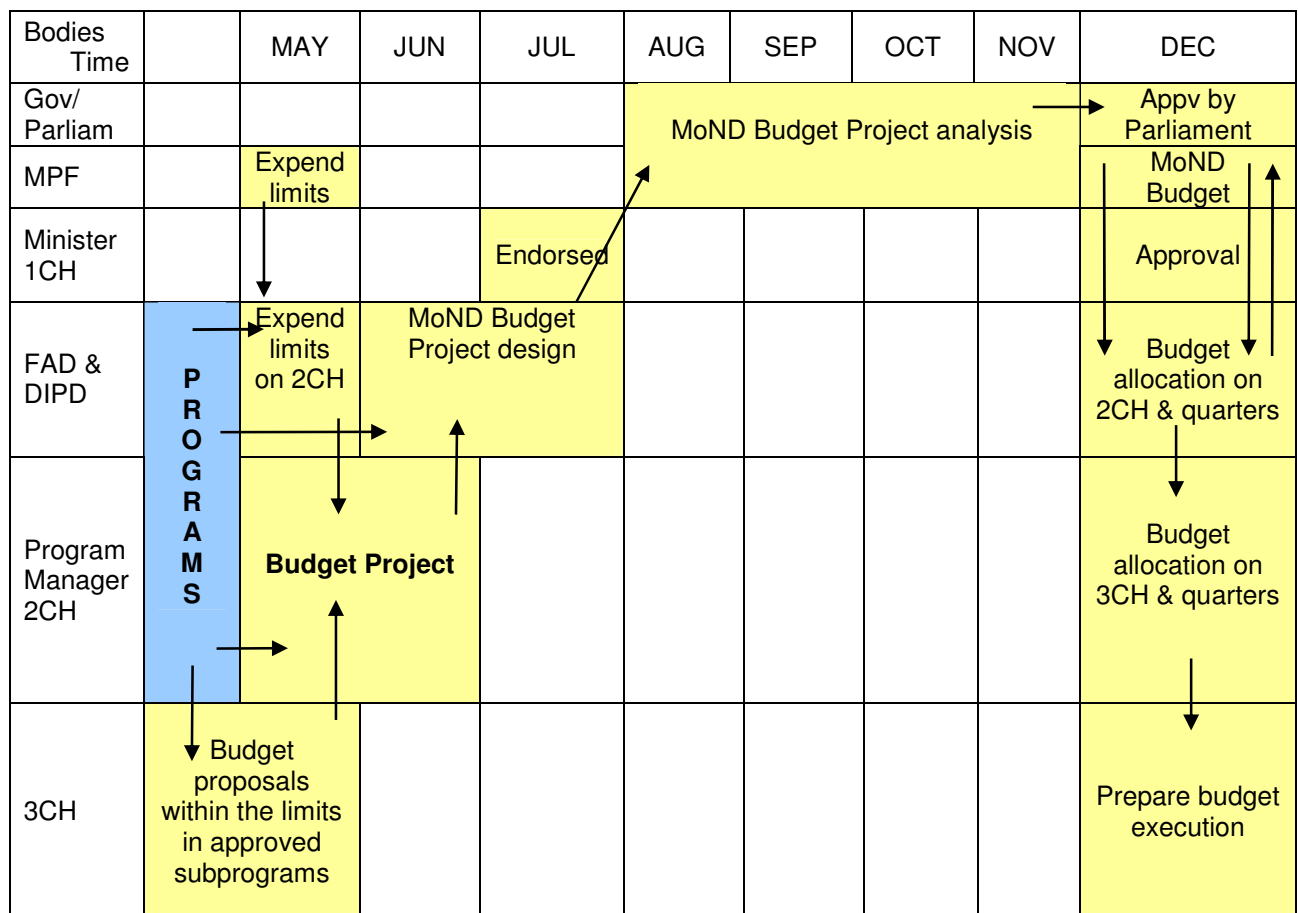


Fig. 3 Budget design and approval

3.3. Advantages and disadvantages of implementing PPBES

Effectiveness of the method of Planning, Programming, Budgeting and Evaluation (PPBES) is appreciably different, but the general opinion is that the pattern can be improved and the predetermined political decision to be removed, it is necessary for experts to provide decision-all solutions, regardless of their performance, their ability to allow selection.

In spite of its complexity, the PPBES has some **advantages**:

- correlate the objectives of national security with the available resources;
- bring the future to the present and offer a clearer picture of the entire situation of the military organization;
- tailor the forces to the established mission by political leadership;
- show which the main priorities of the military are;
- the program budget is a link between what we want to do and the money; it is more function oriented than traditional budget;
- point up the amount of funds allocated for every activity in detail (starting from a program and going to the smallest program element);
- put into close relationship the planning with programming and budgeting, taking into account the restrictions, requests, necessities and priorities;
- offer the tools to evaluate the level of achievement of the planned activities and to find out what went wrong using performance indicators.

Still, the system is not perfect and encompasses some **disadvantages**:

- express the differences between the administrative, financial and military organizations;
- request a lot of work, personnel, time and encounter delays in development, analysis and reviews;
- financial ceilings for the next year are received after the program development;
- limited capacity to estimate costs;
- not enough specialists to make accurate and useful studies and analyses;
- problems in cooperation with Ministry of Public Finance.

“The PPBES, like any other management tool, has both advantages and challenges and should not be treated like a goal in itself or like a supreme and unchangeable monolith. The dynamic economic, military, political and social environment in which the modern military functions generates the need for a flexible, modern and adaptable resource management system. The PPBES can provide this framework, on the condition that we recognize and try to eliminate its shortcomings and capitalize on its advantages.” [3]

CONCLUSIONS

In conclusion, the Planning, Programming, Budgeting and Evaluation System is a process that provides the necessary tools to take realistic decisions in allocating human, material and financial resources, objectively and in a transparent manner, to the of national and even international requirements.

National defense planning is one of the basic functions of state, directly related to decisions on defense closely with other management functions. It is an essential component of defense policy, in accordance with Law nr.473/2004, that represents a complex of activities and measures to promote national interests, the definition and objectives of Romania's national security defense.

Planning targets high level goals and objectives and is done for long term, while programming is done on medium term and, further, this process should provide answers to the following questions: "What do we need to do for the future?" and "What is the outlook for the resources we need to fulfill the goals set?".

The model of Planning, Programming, Budgeting and Evaluation System of the Romanian Ministry of National Defense is taken from armies of NATO countries and operates in accordance of principles of national public finance, under the control of civilian society over the military.

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AN ANALYSIS OF THE HUMAN RESOURCE SELECTION MECHANISM IN THE MILITARY

LTC Cristian CIUNTU

CONTENTS

Introduction

I. Military High Schools

1. Motivation to attend military high schools
2. Advantages and disadvantages of military high schools

II. Services academies and military schools for NCOs

1. Motivation to attend a superior studies military school
2. Advantages and disadvantages of superior or medium studies military schools

Conclusions

References

AN ANALYSIS OF THE HUMAN RESOURCE SELECTION MECHANISM IN THE MILITARY

INTRODUCTION

The Human Resources Management has to deal with different roles and functions, basically providing „***the right person in the right position at the right moment***“, ideally in my opinion for smooth functioning of the organization it is ***at any moment***. ***The core roles*** of HRM may be grouped into three categories, and the subcategories listed below¹:

PLANNING AND ORGANIZING FOR WORK, PEOPLE AND HRM

- Strategic perspective
- Organization design
- Change management
- Corporate wellness management

PEOPLE ACQUISITION AND DEVELOPMENT

- Staffing the organization
- Training & development
- Career management
- Performance management
- Industrial relations

ADMINISTRATION OF POLICIES, PROGRAMMES & PRACTICES

- Compensation management
- Information management
- Administrative management
- Financial management

In the civilian life depending of the size of organization these roles are carried out by the manager (being also the owner of the organization) or by a special department (Personnel department) based on requirements established by managers at each level (each small structure within the organization). One important category is *people acquisition and development* with their roles. Some times (especially in small

¹ www.citehr.com, CiteHR Human Resource Management Community Knowledgebase, *Core roles in Human resources management*

and medium enterprises) 4 roles (*training and development, career management, performance management, industrial relations*) are not accomplished because their design (small structures and activities directly conducted by the manager) not allowed promotion or relations between structures or other staff. All of that means that one of the important roles (a common role for all the organizations) of this category of HRM is *staffing the organization*. We saw that this role is further unpacked in terms of activities, two of them being *recruitment of staff* (meaning to establishes a strategy based on legislation, to select a method like job posting etc) and *selection of human resources*. Large companies, because of different skills needed (different job description) to perform their activities, accomplishes these two HRM roles using other organizations that have the object of activity recruitment of personnel.

In the military (Romanian military) all the activities performed in this domain are established by laws, rules, and regulations, the strategy being proposed by the HRM Directorate.

The first steps of implementing the HRM strategy are caring out by the Information and Recruitment Offices subordinated to Military Centres by making the offer of military teaching. The selection is caring out by different units like military high schools, services academies, military school for NCOs and application schools. These units perform also some basic activities from the HRM role *training and development* (general and basic training).

I. Military High Schools

Before 1989 the role of military high schools it was to provide young people with some general and basic military training and to improve some skills in leadership, but also similar activities were implemented in all high schools (the module of training of young for country defence – PTAP). The doctrine of military in that period was the war for defence carried by the entire people (RAPIP) and the military system were conscripts based. Nowadays being in NATO alliance with a professional military we still need these high schools? What is the motivation to have it?

I.1. Motivation to attend military high schools

What is the motivation for young people to attend military high schools?

Asking 13 military personnel (ages 40 – 50) that attempted different military high schools we obtained: convinced by parents or other persons – 46% (6, 2 of them had parents in the military), the uniform, proud to be a military, order and discipline – 15% (2), financial – 15% (2), career and passion for a service – 15% (2).

What is sure is that at 14-15 years old we do not have enough discernment and knowledge about the system to choose in the knowledge of the cause, and the responsibility for building the character of these young people and to prepare them for next steps in teaching system is on military.

I. 2. Advantages and disadvantages of military high schools

What are the advantages and disadvantages of military high schools view by the two parts – the military and the students. It is a WIN – WIN principle?

Advantages	
For students	For military system
Financial support for families (accommodation, uniforms and food free)	General and some basic military training before to attend a service academy (recruitment base for service and technical academies)
Well prepared students (high quality of education)	Well prepared students (high quality of education)
	Build strong character, independency, work team, leadership skills
Disadvantages	
Constraints (similar with constraints for officers and NCOs – no owner of enterprises, no major shareholder, no political)	Resource consuming (base recruitment for services academies are also the students that graduated civilian high schools) to maintain three institutions and to support around 1500 students/year. Their military role in the system, at their age is not known.
Leaving the system on request is	Leaving the system be cause of

conditioned by the payment of school/tuition	carelessness in learning, also if they do not pass the exams (for services academies and baccalaureate) without recovering the consumed resources
Limited knowledge of civilian society (limited socialization) be cause of weekly schedule	
Preparing for exams (to access service academies) is self dependent while the civilians may be prepared supplementary	
Limited options for superior studies (services academies, Military Technical Academy, Military Medicine Institute)	
Limited options for branches in the military (see Services Academies)	

II. Services academies and military schools for NCOs – Base recruitment. Motivation.

The institutions for superior studies in the military are Naval Forces Academy, Air Forces Academy, Land Forces Academy, Military Technical Academy and Military Medicine Institute. For medium studies are the military schools for warrant officers and NCOs. Some academies and military schools at a different year has different branches for military.

The bases for officers' recruitment are:

Officers' following direct path

- the graduated students from military high schools that passed the exam for academies;
- the graduated students from civilian high schools that passed the exams

Officers' following indirect path

- limited number of graduated students of a superior studies university in different branches according with systems needs

The base for WO and NCOs recruitment are:

NCOs following direct path

- the graduated students from military high schools that not passed the exam for academies but passed the exams for NCOs school;
- the graduated students from civilian high schools that passed the exams for NCOs school

NCOs following indirect path

- civilian working in the military and professional soldiers following courses in an application school (specialized in a branch).

II.1. Motivation to attend a superior studies military school

What is the motivation to attend a superior studies military school?

Asking 20 military personnel (ages 40 – 50) that attended different military academies we obtained: respect of population and economical reasons (house, good payment) – 65% (13). Putting in order of the personnel added:

- respect, dignity – 9;
- economical reasons (good payment, house, job stability) – 9;
- good schools (especially graduated Military Technical Academy), the desire of designing and working in/with high technologies – 5,
- patriotism – 2,
- career – 2;
- follow up high military schools – 2.

II. 2. Advantages and disadvantages of superior or medium studies military school

What are the advantages and disadvantages of superior or medium studies military school view by the two parts – the military and the students. It is a WIN – WIN principle?

Advantages	
For students	For military system
Financial support (accommodation, uniforms and food free)	Officers and NCOs trained on military branches
Finality of studies by repartition in a military unit (stability of job) with the economical reasons resulted (survival	Built strong character, independency, work team, leadership skills

payments and benefits, housing)	
Existence of a system of promotion, opportunities to face different situations (including T.O., courses in NATO countries, activities abroad)	Existence of a system of promotion, career guide
Disadvantages	
Constraints (no owner of enterprises, no major shareholder, no political)	At least three years of resource consuming not necessary with development of specific skills in branches (they obtain diplomas in organizational management, aeronautic management and <i>air traffic control</i> , <i>naval engineering</i> , <i>technical engineering</i> , economic-financial management and public administration). The real development in branch begins with application school/centre and if we want to be much realistic, with first job.
Leaving the system on request is conditioned by the payment of school/tuition (during the school or within the contract period)	Leaving the system because of carelessness in learning, also if they do not pass the exams without recovering the consumed resources
Limited options for branches (the branches are chosen in some academies after the first year depending on necessary personnel in military).	No peaks in some branches because of system teaching (not allowing to switch some of them). No possibility in research and development or production (innovations).

CONCLUSIONS

Based on Maslow's hierarchy of needs:

- physiological: breathing, water, food, sex, sleep, homeostasis, excretion;
- safety: body, employment, resources, morality, the family, health, property;
- love/belonging: friendship, family, sexual intimacy;

- esteem: self esteem, confidence, achievement, respect of others, respect by others;

- self actualization: morality, creativity, spontaneity, problem solving, lack of prejudice, acceptance of facts,

1. For **military high schools** the motivation now is difficult to understand (ambitiousness, uniform, looking good for friends and adventure) taking into consideration that is possible to not have the finish (attend a superior studies military school because are not separate places for graduated military high schools). Before 1989 the system was different to access superior studies schools (based on high competence/results in learning). The reality is that at this age (14-16) the discernment of choosing a path for life is almost missing. Based on previous data, in my opinion military high schools are resources consuming (I don't find open sources data that allow you to classify the military high schools among the civilian ones).

2. For a **military career** (attending superior studies military academies/institutes) the respect and economical reasons were in the same place (the last two layers of the Maslow's pyramid and the second). But we must not forget the ages of military personnel questioned (40-50 learning in a different system of values) and the facts that all are officers. That gave me the conclusion that now the most young people will chose economical reasons (the basic two layers of the pyramid).

3. In the military system **the peaks** in theory and practice are melted with the others because to switch to different branches in the military or with civilian branches (see Military Technical Academy, Air Forces, Naval Forces or Military Medicine Institute) is not permissive or it is mandatory to pay the tuition (large amount of money – debts 'good' to have at the beginning of life). Of course this can be an instrument to keep the graduated military personnel in the system.

4. At the beginning of working careers young people look just at the basics needs. After some years (probably the period of first contract, 8-12 yrs.) some of military personnel is looking for needs attached on the first two layers of the pyramid. They touched some opportunities (courses abroad or tourism abroad) and the level of ambition will increase. Now they look also for correctitude of **career management**. Some of them will leave the system asking for more, but the needs are still the basics (economical reasons).

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AN ANALYSIS OF THE INFORMATIONAL WAR CONCEPT

Capt. cdor. Dorian – Georgel DANCIU

CONTENT

Introduction

- I. **Chapter I Information – tool or weapon?**
 - 1. Section 1 Forms of exercise
 - 2. Section 2 Intelligence and knowledge
 - 3. Section 3 Superiority in information system
- II. **Chapter II Potential of information**
 - 1. Section 1 War in the modern era
 - 2. Section 2 Information communication channels
 - 3. Section 3 About the cultural "invasion"
 - 4. Section 4 Possible perspectives
- III. **Chapter III Using of information strategically**
 - 1. Section 1 Philosophy of War Information
 - 2. Section 2 Characteristics of informational war

Conclusions

Introduction

Precepts of Sun Tzu, known and applied for over 25 centuries, seem to be elements or ways of war symmetrical because the effect is the same position. It is not so, in this type of war, the symmetry is labile, flexible. Basically, this symmetry does not exist. There is only one competition on both sides of a median axis or mediating between the parties. Influence of war information systems are now based on expensive techniques on a high level of technology used and the rule information. Poisoning, black propaganda and influence are the main means of this type of war.

Sun Tzu's precepts drawn from the "Art of War":

1. Discredited everything goes well in enemy country.
2. Representatives of the ruling classes of the country involved in dubious business enemy.
3. Destroy their reputation and subdue their fellow citizens and contempt.
4. Use creatures most vile and abject.
5. Disorganized enemy by any means government activity.
6. Spread discord and conflict between citizens' hostile countries.
7. Provoke the young against old.
8. Ridicule traditions of the opponents.
9. Perturbed by any means quartermaster, supply and operation of the enemy army.
10. Enemy fighters will loosen with sensual songs.
11. Submit your prostitutes among them to crown the work of destruction.
12. Be generous in promises and rewards for information. Do not save the money spent so will get you a good rate.
13. Infiltrate your spies everywhere.

New world order is about to erect a new wall that will separate the underdeveloped countries of the industrialized countries feel threatened by political changes and movements in contesting states. To maintain access to raw materials in strategic areas and markets, to preserve its vital interests, it is possible that strong countries use further military and technical solutions, instead of trying to solve deep economic problems of these countries.

In such circumstances it is possible threats (particularly those asymmetric) increased and asymmetric strategies adopted to resolve them to proliferate. This

development can only lead to a resurgence of violence, the proliferation of hotbeds of tension and their causes, while increasing the gap between powerful countries and which is considered to create problems.

Chapter I Information – tool or weapon?

Section 1. Forms of exercise

Informational war can be done in different ways:

- Television and radio transmissions are subject of jam enemy;
- Radio and TV transmissions can be attacked for alleged campaign of misinformation;
- Network or adverse entire logistics system can be removed from combat, inefficient;
- Enemy communications networks can be removed from combat or undermined;
- Penny stock transactions may be sabotaged by direct intervention, electronic or misleading scare stories or misinformed by misleading placements.

Section 2. Intelligence and knowledge

Information itself comes to be regarded as a very valuable weapon in a paradoxically immaterial, which may help decisively to impose their will in a conflict. War, particularly the success could not ever be won without a minimum knowledge of the opponent, and that espionage is as old as mankind. Today more than ever need to know (in general) is vital for success. Access to information has become a double-edged sword, with the advent of the Internet in the early '90s. Opportunities to learn grow exponentially with the number of those who might know. The Internet reduces the distances between individuals, between cultures, between people and states in which they live.

Various forms of informational war have much in common in terms of objectives, the means and methods, tools with which they seek to achieve its aims.

Section 3. Superiority in information system

Informational war broadly encompasses those actions in times of crisis or war against the enemy information or information systems (while protecting their

information and information systems) in order to achieve certain goals or targets adverse influence. There are three aspects of informational war that must be considered:

- Their ownership of information (and knowledge) and their consistent completion.
- Preventing the opponent to get possession of new factual information.
- Disinformation opponent by launching false information or providing it to them directly.

Chapter II. Potential of information

Section 1. War in the modern era

In modern times, wars and wins no longer carry classic battle front, the physical plane, but the plan information. Confrontations modern armies go increasingly intelligent design and the human psyche. These new types of confrontations take into account power triad described by Alvin Tofler in "Power shift". According to this there are three important sources of power: *brute force*, *wealth* and *knowledge*. These three elements can be converted easily from one to another. Most importantly, more powerful and flexible knowledge of them is:

Brute force is inflexible and can only be used to punish. In addition any physical force is limited. Too much force can do to destroy what he wants to defend.

Wealth is a more effective than brute force. Can be used both to punish and to reward. And it is limited. Wealth is not infinite.

Knowledge is power at the highest quality. It can be used to punish, reward, convince, and convert. Other forces (elements of power) depend on knowledge and knowledge is not exhausted. We can generate any knowledge.

Today, winning a battle does not take raw military power and the number of soldiers. Dominant elements related to human intelligence: diversion, deceit, espionage, manipulation of public opinion, experience commanders, fighters psyche.

Means of fighting these wars were first described by Sun Tzu as some principles of war. Elements of his work are used for different types of informational war theorists. In these confrontations reality of life is not important, but people's opinions. Reality can be changed by changing the opinions of people who, in turn, can change the world. Feelings, attitudes and behaviors of individuals can be induced or made by specific means.

Section 2. Information communication channels

Development of information infrastructure, globalizing, which include structures of communication media can generate increasingly sophisticated. They transmit information at a pace more accelerated and increasing distances. Prerequisite for these things to happen is that communication conglomerates are not controlled by certain centers of decision, which may try to control people's access to information resources.

Aggression is not new information. The novelty of the use of research results to design messages so they have the desired effect and the use of messaging media manipulators. Combining these two elements increases the possibilities of aggression information using relevant communication channels and messaging particularly well developed. Media development and research enables the development of strategies for handling information at both planetary and local or individual. These situations are not only possible but actually present.

Aggression need conditions that they can take effect. Media should be free from public scrutiny, editors must be comprehensive and transnational channels of information should be private human access to the media to be free of public scrutiny, human judgment to be lower.

Section 3. About the cultural "invasion"

About such things, a cultural invasion is a real risk factor for having a state and nation because it produces evident failure of social and can block the ability of crisis response and beyond. Course, is exaggerated and inappropriate to consider that any foreign cultural element that enters automatically has negative effects on the state. Obviously, information protection organization is essential to strengthen the social judgment, commitment and interest of the citizen to the nation state. Protection is necessary to counter abuse over communication and information, leading to non communication and pseudo communication elements that generate social ruptures and disturbances in civil society.

Section 4. Possible perspectives

Many clues evoke the possibility of a new scientific revolution in information processing occurs. U.S. strategists are trying to seize these findings to determine that

they are used by U.S. priority, because they have an advantage over all states, including allies.

High - generation techniques related to information attacks and destroy structures consist of media and information infrastructure. Their attack is possible to lock the operation of public structures, both the administrative and the productive. Aggressor state can no longer wield power, not control the resources, can not provide citizens with a normal social environment. Generation that would allow any state pressure on the control information of decision centers.

Chapter III. Using of information strategically

Section 1. Philosophy of War Information

Informational war is not within the exclusive domain of a category of the armed forces. Competition information is as old as human conflict. States, institutions and individuals try to increase their knowledge base and protect its parallel attempt to limit the opponent.

Dealing targeting information is information and information functions with the protection of their enemy, with intent to defeat the will or ability to fight.

By controlling the media to manipulate citizens that their attitude towards certain issues to be favorable manipulator. The advantage of using the press for such action it receives the home presumption of innocence from the public.

Conventional military actions involving the conduct of operations at terrestrial, naval, air and space. Each of these components has developed at a time and can not speak, for example, the space component of the war as existing before the land or sea. All have emerged as technology evolved and the average man could adventure becoming more diverse and exotic. Currently, a new component of the military conflict is considered the information. However there is a major difference between the information environment in which today moves some of the actions performed by people and groups hostile to people and they were held before the wars. For the first time man wins an environment devoid of physical intangible tangible. One consequence of the disappearance of the bipolar system and the current technological explosion is growing concern that states attach to informational war as political war, as part of state policy, both to promote and to protect national interests.

Theory and practice of informational war lately enjoys a growing attention from politicians, strategists, scientists and mass media in various countries, especially in

the North Atlantic and Europe. Nothing can exist outside communication systems, and operation failure or other parameters of data transmission networks, even for a few hours, can lead to real social earthquake effects figured hard going even, say some experts, up to paralyze the national life and international outbreak of panic and unrest that could become manifestations of disorder, which endanger the safety balance and states, annihilation etc. command and control capabilities.

Widespread introduction of information systems as the basis for all types of activity to gain social, political, strategic significance. It creates a new dependency that states one nine scale power, which is not directly linked for the first time in world history, economic or military capacity of a country. Holding capacity for the production of hardware, essential in the early years of battle information, succumbed to the ability to produce and manage software, which allows other nations could enter the market until now only reserved powers.

Informational war is not a new phenomenon: it includes any hostile activity against information, knowledge and beliefs of any kind and is worn practically from ancient times. The North-Atlantic and European (but not only) through a process of transition from industrial society to a society type information. In the information society, to estimate the strength and sustainability of national security without taking into account how information systems and operational information (collection, protection, transport, management and prevention of access to information) is a major risk, because the center of gravity the action tends to move away from the material dimension to information.

On the one hand, information technology provides a significant increase in power and viability of the national security system and on the other hand is a risk factor when information infrastructure is not protected. This reality requires the adoption of decisions in the political, economic, military and legal, which could be a starting point towards a permanent concern, nation wide, in the informational war. Another novelty that brings informational war today is the inclusion of fields (public relations, information services, computing, communications, etc..) and existing resources in a comprehensive strategy.

To meet the challenges of informational war, it takes a holistic approach at national level based on a clear strategy to design development domain. To obtain a coherent strategy in informational war, it is desirable integration of systems, disciplines and different techniques. Informational war is a form of conflict-specific end of the century and millennium, because it answers some of the objections to both

the politicians and analysts geo-strategic or military planners classical forms of ongoing conflict. What is new and characteristic informational war is the ability to manipulate information circulated in information systems and tools to shape and direct this information. Information has become a strategic raw material order to acquire autonomy and success of any policy decision. To meet national security interests, dominate the spectrum of information is as critical as it was and is still occupying land or airspace dominance, classical military strategy and tactics. In the next step, informational war will play a decisive role in political, economic and military of any state. It is a reality that, although not universally accepted definition, gives a certain coherence of all activities related to information.

Section 2. Characteristics of informational war

The main characteristics of war information are:

- difficult to specify the opponents;
- no geographical borders and / or time;
- multitude of targets;
- lack of a quick deal with the consequences it generates;
- use a relatively simple technology, cheap and widespread;
- the difficulty of establishing clear responsibilities and precise field management;
- relatively low costs of carrying out information operations for the results to be obtained;
- improved handling options;
- blurring of distinctions between levels of command.

Informational war can be viewed under seven aspects or, in other words, depending on the attack-defense strategies built and used weapons, information involves seven different sizes:

- **Command and control warfare.** The only form of war military information and is intended to annihilate the command and control systems and control an opponent by integrating psychological operations, security operations, the deception, electronic warfare and physical destruction;
- **War on Information.** The intelligence is the classic design, protection and annihilation systems containing sufficient knowledge to dominate an area of conflict;

- **Electronic warfare.** Use electronic technology and techniques for electromagnetic space domination;
- **Psychological warfare.** Use information to change attitudes and choices folks, neutrals and opponents;
- **War hacker.** It consists of passive and active attacks by malignant software on information systems;
- **War in the sphere of economic information.** Follow blocking or channeling information to obtain economic supremacy;
- **War in virtual reality space.** It is now a point of accumulation of futuristic scenarios, research and technological.

Informational war is accompanied by new means of action / influence that eludes conventional power and boundaries of states. Many of these methods works directly on command and control, the will, the information and the essential elements of state infrastructure.

Also, informational war designed to prevent conventional conflicts, the occurrence of casualties and damage, by using these new tools at the interface between state and state conventional war or conventional peace. Informational war aimed structures of political, economic, social or military, not to destroy or paralyze them, but rather to influence their decision making. This makes the transition from stage to stage organized violence hostile influence.

CONCLUSIONS

- The current security environment is characterized by a high degree of instability and unpredictability and increased freedom of action of regional actors.
- Currently, there is a competition between the only recognized superpower, the U.S. and regional powers and between this and the new non-state actors (terrorist organizations, networks of organized crime, radical extremist groups based on ethnic or religious ideologies.), which generate a wide range of threats to regional and global security.
- Risks unconventional (asymmetric) include those strategies or deliberate actions against state interests unite, using different methods of fighting classic, plus organized crime, drug trafficking, weapons and strategic materials, illegal migration.
- Confronting conflict is asymmetric deviated from the rules of forces and rely less on the idea of large-scale confrontation and more on so named concept of low intensity conflict.
- In cyberspace, bits and no bullets are the new type of ammunition on the database. The attack on the database is as effective as any military attack with nuclear or conventional weapons, and dramatically effective combination between bits, bullets and bombs.
- Informational war has become a reality in a world consumption of signs and symbols. In fact, this type of war can be defined as conquest and dominion of mind with signs, symbols and consensus on their meaning, will be a war of civilizations and not a war of cultures. Will be a total and absolute war because the target is the entire population of a state, and the goal is, ultimately, the change of attitudes and values.
- Informational war may contribute to major changes in the way of waging war, the key problem being given by the vulnerabilities of control systems, control, communications and information, and the question remains the same, how to attack and at the same time, protect your own systems .
- Informational war itself creates a vulnerability for those who lead, namely that by using it to create problems that are not strictly limited the scope manifestation military bodies but much more national in this context, the scope of event going beyond the armed forces and covering the entire national security infrastructure. Equally international information infrastructure grows and improves continuously, reaching a limit of power is beyond the control of a single entity, or a single nation, and when it is outside the control of those who use it create a multitude of possibilities for others to enter the system.

LEADERSHIP – DEFINITION, CLASSIFICATION AND CURRENT TRENDS IN THE MILITARY

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CONTENTS

Introduction

I. Definition

1. Theories

II. Leadership styles

1. Autocratic or authoritarian style
2. Participative or democratic style
3. Laissez-faire or free reign style
4. Transactional style
5. Narcissistic leadership
6. Toxic leadership

III. Military leadership- current trends

Conclusions

References

LEADERSHIP – DEFINITION, CLASSIFICATION AND CURRENT TRENDS IN THE MILITARY

INTRODUCTION

Leadership study is a multidisciplinary academic field that focuses on leadership in organizational contexts and human life as well. Leadership study has its origins within social sciences as sociology, psychology, anthropology, history and philosophy.

The study of leadership and its components and traits has a long and controversial history. While modern research showed that possession of specific traits by itself does not guarantee success in leadership, there is evidence that effective leadership is of people that are different in certain key aspects. Some believe that leadership is founded on traits helping the leader to acquire necessary skills, formulate an organizational vision and take the necessary steps to implement it into reality.

The study of leadership can be dated back to Plato, Sun Tzu and Machiavelli. However it became the focus of contemporary academic studies in the last century. The discipline encompassing sub-fields is filled with definitions, styles, theories, competencies, functions and historical examples of many successful and diverse leaders. Putting all research findings together the result is a more sophisticated and complex image of the phenomenon.

Studying the North American academic history on this matter we find that some of the first studies on leadership do include:

- in the 1940s Ohio State University studies on leadership focused on how leaders could satisfy common group needs. Their research was based on questionnaires addressed to both leaders and their subordinates. These questionnaires are known as the *Leader Behavior Description Questionnaire (LBDQ)* and the *Supervisor Behavior Description Questionnaire (SBDQ)*. (LBDQ reached version 12 by 1962)
- studies of Michigan University in 1950s named Survey of Organizations revealed that leaders could be classified as being either “*employee centered*” or “*production centered*”¹. These studies indicated three of the critical leadership characteristics: task oriented behavior, participative leadership, and relationship-oriented behavior

- within Sloan School of Management (of the Massachusetts Institute of Technology) in the 1960s, Douglas McGregor develops *Theory X & Theory Y*. The two theories described employee motivation in the workforce, both starting with the premise that the role of management is to assemble production factors (to include people) for the economic benefit of the company. Beyond this point the two management theories diverge
- another significant step was the contribution of Blake – McCanse Leadership Grid addressing the mix of “task orientation” and “people orientation” in leaders behavior (figure.1).

Leadership has been examined, in addition to these studies, from an academic perspective through several lenses of theory as:

- Trait and behavioral theories in the attempt to describe the types of behavior and personality tendencies associated with effective leadership
- Situational and contingency theory that incorporate environmental and situational considerations into leader behavior
- Functional leadership theory that suggest that a leader’s primary responsibility is to do whatever necessary to cover the group needs
- Information processing theory witch focuses on the role of social perception in identifying abilities of leadership
- Self leadership theory, witch although behaviorally oriented, studies the essence of self leadership stating that behaviors are directed toward the attainment of super-ordinate goals
- Transactional and transformational theories of leadership focusing one on managerial reward and the other on motivation and goal attainment.

I. DEFINITION

There are many definitions of leadership. Some common elements that are added when defining leadership include exerting influence, motivating and inspiring, helping others to realize their potential, leading by example, making a difference, and selflessness.

A dictionary would not be able to capture the phenomenon: “*leadership (n) 1. the position or function of a leader. 2. the period during witch a person occupies the position of leader. 3. the ability to lead*”²

¹ http://business.nmsu.edu/~dboje/teaching/338/behaviors.htm#katz_michigan

² *The Collins English Dictionary*, Harper Collins Publishers, 1998

On the other hand, Sun Tzu is expressing a whole theory when defining leadership: *“Leadership is matter of intelligence, trustworthiness, humanness, courage and discipline. Reliance on intelligence alone results in rebelliousness. Exercise of humanness alone results in weakness. Fixation on trust results in folly. Dependence on the strength of courage results in violence. Excessive discipline and sternness in command result in cruelty. When one has all five virtues together, each appropriate to its function then one can be a leader”*³

One common idea when definition leadership is that *“leadership is a process of social influence in witch a person can enlist the aid and support of others in the accomplishment of a common task”*⁴, this defining someone whom people follow, someone who guides and directs others.

As for modern military leadership, the United States Air Force doctrine document 1-1 defines it as follows: *„Leadership is the art and the science of influencing and directing people to accomplish the assigned mission. This highlights two fundamental elements of leadership: (1) the mission, objective or task to be accomplished, and (2) the people who accomplish it. All facets of Air Force leadership should support these two basic elements”*⁵.

I.1. Theories

Along the time many theories have been developed involving traits, vision, power, situational interaction, function, behavior, and values, charisma and intelligence.

The search for characteristics of leaders has been continuing for centuries. History’s philosophical writings of Plato (*Republic*) and Plutarch (*Lives*) have tried to answer the question “what qualities distinguish an individual as a leader?” One element in motivating this quest was the assumed importance of leadership and the statement (at that time) that leadership roots are within characteristics that certain individual possess.

³ *The 100 greatest leadership principles of all time*, edited by Leslie Pockell and Adrienne Avila, 2007 Warner Books

⁴ Chemmers M., *An interrogative theory of leadership*, Laurence Erlbaum & associates, 1997

⁵ US Air Force – *Leadership and force development*, Air Force doctrine document 1-1 approved by John P. JUMPER, General, Chief of Staff of US Air Force, United States of America, 2006, page 3

I.1.1. Trait Theory (early western history)

Trait theory is relying on the idea that leadership is based on individual attributes.

A significant number of works explored the trait theory in the 19th century. Of those, the most notable are the writings of Thomas Carlyle and Francis Galton, whose works were the result of decades of research. In *Heroes and Hero worship* (1841), T. Carlyle identified the talents skills and physical characteristics of men who rose to power. F. Galton, in *Hereditary Genius* (1869), examined leadership qualities and the families of powerful men, where, after showing that numbers of eminent relatives dropped when moving from first degree to second degree relatives, and concluded that leadership is inherited. In other words, leaders are born, not developed.

This theory had great initial support for the idea that leadership's roots are within characteristics of the leader.

I.1.2. Alternative theories

In the late 40's and early 50's, a series of qualitative reviews of the studies of Thomas Carlyle and Francis Galton, prompted researchers to take dramatically different views on driving forces behind leadership. Reviewing existent literature Stogdill (1948) and Mann (1959) found that while across a number of studies some traits were common, evidence indicated that people who are leaders in one situation are not necessarily leaders in other situations. As a consequence, one can say that leadership is no longer characterized as an enduring individual trait, as situational approaches demonstrated that individuals can be effective in certain situations, but not in others. This approach was one dominating much of theories and researches on leadership for the next 20 years.

I.1.3. Reemergence of trait theory

After the influential reviews of Stogdill and Mann new methods and measurements were developed and reestablished the trait theory as a viable approach in the study of leadership. Improvements in research allowed the view that individuals do and can do emerge as leaders across a variety of situations and tasks. In the 80's statistical advances allowed researchers to conduct meta-analyses to be

able to quantitatively analyze findings from a wide array of studies. This permitted trait theorists to create a comprehensive picture of previous leadership research rather than rely on qualitative reviews of the past.

S.J Zaccaro brings in 2007⁶ a note of criticism stating that trait theory still:

- focus on a small set of individuals attributes such as five personality traits to the neglect of cognitive abilities, motives, values, social skills, expertise, and problem-solving skills
- fail to consider patterns or integrations of multiple attributes
- do not distinguish between those leader attributes that are generally not malleable over time and those that are shaped by and related to situational influences
- do not consider how stable leader attributes account for behavioral diversity necessary for effective leadership

I.1.4. Attribute pattern approach

Considering the criticisms brought to trait theory, several researchers began adopting a different perspective of individual leader differences – the leader attribute pattern approach.

In contrast to traditional approach, the leader attribute pattern approach is based on arguments brought by theorists that the influence of individual characteristics on results in accomplishing a task is best understood by considering the person as an integrated image rather than a sum of individual variables. In other words, the leader attribute pattern approach states that integrated combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes or combinations of multiple attributes.

I.1.5. Behavioral and style theories

In response to the criticisms brought to trait approach, theorists started the research of leadership as a set of behaviors by evaluating the behavior of successful leaders and determining behavior taxonomy, identifying broad leadership styles.

⁶Zaccaro S.J, *Trait-based theory perspectives of leadership*, American psychologist, 2007

For example, David McClelland described that leadership takes a strong personality with a well-developed ego. To lead, self-confidence and high self-esteem are essential.

In 1939 K. Lewin, R. Lipitt and R. White developed the seminal work on the influence of leadership styles and performance. The researchers evaluated the performance of groups under different types of climate. In each, the leader exerted his influence in reference to group decision making, praise and criticism, and group tasks management according to three styles: authoritarian, democratic and laissez-faire.

The managerial grid model is also based on behavioral theory. The model has been developed by R.Blake and J. Mouton in 1964 and suggests five different leadership styles based on the leader's concern for people and for goal achievement.

I.1.6. Functional theory

A particular useful theory (developed by Hackman and Walton in 1986) is functional leadership theory, for addressing specific leaders behaviors expected to contribute to organizational effectiveness. This theory argues that leader's main job is to see whatever is necessary to take care of the group needs, thus a leader have done his job when contributed to group effectiveness and cohesion.

In summarizing this theory, researchers observed five broad functions of a leader has to perform in promoting organizational effectiveness: environmental monitoring, organizing subordinates activities, teaching and coaching subordinates, motivating others and actively intervening in the group's work.

I.1.7. Transactional and transformational theories

The transactional theory states that a leader is given power to perform certain tasks and reward or punish against team performance results. It gives the opportunity to lead the group and the group agrees to follow his leader to accomplish a predetermined goal in exchange of something else. The leader given empowered to evaluate, correct, and train subordinates when productivity is not up to the expected level, and reward effectiveness when the outcome reaches the desired level.

Transformational theory enhances the importance of motivation, morale and performance of followers through a wide variety of mechanisms. These include

connections to the sense of identity of the follower and the collective identity of the organization by becoming a role model, challenging followers to take ownership of their work and understanding strengths and weaknesses of followers.

I.1.8. Situational leadership theory

The situational leadership theory (initially called Life cycle theory of leadership) was developed by P. Hersey and K. Blanchard during mid 70's. The fundamental of the situational leadership theory is that there is no single best style of leadership and that effective leadership is task-driven, and the most successful leaders are those that adapt their leadership style to the maturity of the group they are to lead. Effective leadership would vary not only with the group to be led but also with the task that needs to be accomplished. The Hersey – Blanchard model of situational leadership rely on two fundamental concepts: style of leadership and the group's maturity level.

II. LEADERSHIP STYLES

Leadership styles subject are the leader behavior defined as the result of the personality, philosophy and experience. Rhetoric researchers have also developed models in order to understand leadership models (R. Hariman – *Political style*, P.J. Salazar – *L'Hyperpolityque. Technologies politiques de la domination*).

Different situations call for different leadership styles, for an example in an emergency when there is little or no time to converge to agreement, an autocratic leadership style may be the most effective, whereas in a highly motivated team with similar level of expertise, a more democratic style will be more effective. The adopted style should be the one witch most effectively achieves the group's objectives but in the same time, balancing individual members interests.

II.1 Autocratic or authoritarian style

Under authoritarian leadership style, all decision-making powers are centralized within the leader. Leaders do not welcome or entertain any suggestions or initiatives from subordinates. Autocratic leadership is successful as it provides strong motivation for the leader himself. Permits rapid decision-making, as only one person decides for the entire group and keeps for him each and every decision until he feels it needs to be shared with the group.

This leadership style keeps close, strict control over subordinates by keeping close regulation and procedures given to them. This type of leaders makes sure to only create a distinct professional relationship since direct supervision is what they believe to be the key of maintaining a successful environment. Authoritarian leader traits are supplemented by behavioral elements as: sets goals individually, engages primarily in one-way (downwards), and controls discussion with followers.

II.2 Participative or democratic style

Democratic leadership style consists of the leader sharing abilities of decision-making with members of the group by promoting the interests of the group and practicing social equality. This style encompasses debate, discussion and sharing of ideas of subordinates. Boundaries of democratic participation tend to be circumscribed by the group needs and values of people's attributes. This style encourages the concept that everyone should participate in group's decisions. However, the participative style still requires guidance and control from the leader. Researchers found that this style creates the highest productivity, increased group morale and better group contributions. Democratic leadership works best where group members are skilled and willing to share knowledge. An important element is time since it takes quite a while to allow subordinates to contribute, develop a plan and agree on the best course of action.

II.3 Laissez-faire or free reign style

The laissez-faire style of leadership was first described by L. Lippitt and White (1938) along with the autocratic and democratic leadership styles.

Sometimes laissez-faire is described as "hands off" style because the leader delegates tasks to followers while providing little or no direction. This style allows followers to have complete freedom within the decision-making process concerning the completion of their tasks allowing a high degree of autonomy and self-rule while offering guidance and support whenever requested. Laissez-faire leader provides subordinates with everything needed to accomplish their goals and does not directly participate in decision making unless requested for assistance.

This style can be an effective one when subordinates:

- are highly skilled, educated, and experienced

- have pride in their work and are motivated to do it successfully
- are trustworthy and experienced,

This style cannot be used when:

- subordinates feel insecure during leader unavailability
- the leader will not provide regular feedback

II.4 Transactional style

First described by M. Weber (1947) and then B. Bass (1981), transactional style of leadership is focusing on motivating followers through a system of punishments and rewards with two factors forming its foundation:

- *contingent rewards*, providing material or psychological rewards for effort and recognizes good performance
- *management by exception*, allowing leader to maintain status quo. Leader will intervene when subordinates do not meet acceptable performance by initiating corrective actions

II.5 Narcissistic leadership

Academics such as K. de Vries, Thomas and Macoby identified narcissistic leadership as an important and common leadership style. Narcissism may be healthy or destructive although there is a continuum between these two sides. To critics “*narcissistic leadership is driven by unyielding arrogance, self-absorption, and a personal egotistic need for power and admiration*”⁷.

In a study theorists do suggest that when a group is without a leader, one can count on a narcissistic to take the lead. Researchers found that people who score high in narcissism have the tendency to take control of leaderless groups. Freud considered “*the narcissistic type especially suitable to act as a support for others and impress others as being ‘personalities’*”⁸, one reason being that narcissism has significant attraction for those who gave up at a part of their own.

There are four basic types of narcissist leaders⁹:

- authoritarian with task orientated decision making
- democratic with task orientated decision making
- authoritarian with emotional decision making

⁷ L.L. Neider, C.A. Schriesheim, *The dark side of management*, 2010

⁸ S. Freud, *On sexuality*

- democratic with emotional decision making

II.6 Toxic leadership

Toxic leadership style presents as the main characteristic: the abuse of leader-subordinate relationship by leaving the group in a worse condition than initially. The general traits of a toxic leader are generally: intemperate, operational rigidity, discrimination, corruption.

III. MILITARY LEADERSHIP – CURRENT TRENDS

Military leadership is defined by the United States Air Force doctrine document 1-1 as follows: *„Leadership is the art and the science of influencing and directing people to accomplish the assigned mission. This highlights two fundamental elements of leadership: (1) the mission, objective or task to be accomplished, and (2) the people who accomplish it. All facets of Air Force leadership should support these two basic elements”*¹⁰.

Of course the primary task of a military organization is performing its mission. Leader’s paramount responsibility is to motivate and direct people to successfully carry out the mission and without forgetting the importance of the personnel themselves to that mission.

The United States Army chooses a different way in its Field Manual 6-22, by defining the leader instead of leadership: *“An Army leader is anyone who by virtue of assumed role or assigned responsibility inspires and influences people to accomplish organizational goals. Army leaders motivate people both inside and outside the chain of command to pursue actions, focus thinking, and shape decisions for the greater good of the organization”*¹¹. This is close related to the Army’s mission to fight and win the war by providing prompt, sustained dominance across the spectrum of conflicts.

⁹ M. Maccoby, *Narcissistic leaders: the incredible pros, the inevitable cons*, Harvard business review, 2000

¹⁰ US Air Force – *Leadership and force development*, Air Force doctrine document 1-1 approved by John P. JUMPER, General, Chief of Staff of US Air Force, United States of America, 2006, page 3

¹¹ US Army – *Army Leadership – competent, confident and agile*, Army field manual 6-22 approved by Peter J. SCHOOMAKER, General, Chief of Staff of US Army, United States of America, 2006

“Leadership is a blend of persuasion, compulsion, and example, a combination that makes individuals do what their commander wants of them, even when the task is not essentially to their liking”¹².

Actually in any military organization the purpose of leadership is to get the job done. Competent military leaders have to develop trust, build teams, set the example, keep hope alive, inspire confidence, clarify objectives, and rationalize sacrifice.

Dr. David Campbell¹³ studied military leaders and formulated a description of military leader’s personality and the “*aggressive adventurer syndrome*”, as encompassing traits as follows: “*dominant, competitive, action-oriented patriotic men who are drawn naturally to physically adventuresome militaristic activities*”. His tests showed reasonably high needs for control, tendencies toward dominance well

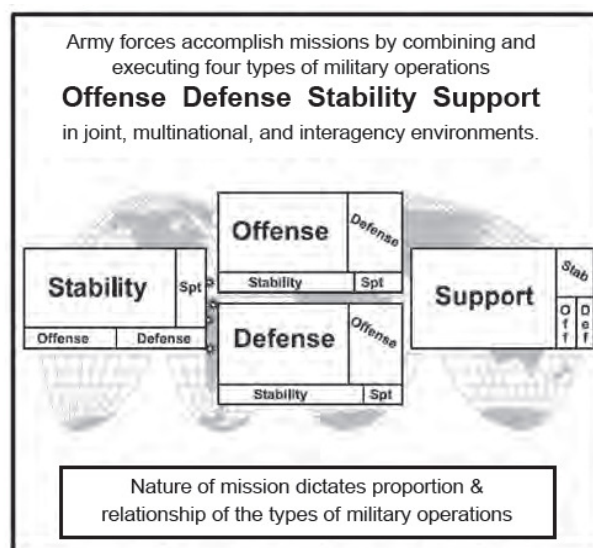


Fig.1 Spectrum of operations

above the level of a typical manager, greater comfort with data than with intuition, and a high achievement through conformity orientation.

Another fact is that modern military environment significantly changed during the last century. Nowadays operations are having new facets (see fig.1)¹⁴ there is a school of thought that has identified areas of transition during and after a conflict, transition being a multi-faceted concept involving application of tactical, operational, strategic, and international level resources over time to influence institutional and environmental conditions for achieving and sustaining clear goals. Transition is inherently complex and may encompass multiple smaller in scale transitions to occur simultaneously or sequentially, focused on building specific capacities and creating

¹² *Leadership and Management Handbook*, Sandhurst, UK: The Royal Military Academy, 2003

¹³ Dr.David Campbell, "*The Psychological Test Profiles of Brigadier Generals: Warmongers or Decisive Warriors?*", research paper presented at the American Psychological Association, New York City, 30 August 1987

¹⁴ D. FIELDER – *Defining command, leadership and management success factors within stability operations*, Peacekeeping and Stability Operations Institute, Carlisle, Pennsylvania, United States of America, 2011

intermediate conditions to contribute to the realization on long-term goals. Thus aside war – the classic military mission, other tasks have been added to the military range of assignments. In the early 90's the term "*military operations other than war - MOOTW*" was introduced in the United States military terminology defining a concept focused on: deterring war, promoting peace, resolving conflict, supporting civil authorities in response to domestic crises, humanitarian assistance, disaster relief, arms control, and peace keeping.

On the combat-related side of the matter, the main characteristic of nowadays warfare is asymmetry. Asymmetric warfare, irregular warfare, unlimited warfare, or fourth generation warfare drastically changed the scene for military operations. The theatre of operations is not limited anymore to the "battlefield" and it is polymorphous. It combines military operations with actions in the economical, political and diplomatic spheres, reaching out into the enemy rear to the heart of population.

CONCLUSION

As environment to act within is changing at all levels: tactical, operational, and strategic, due to political, economical, technical, and psychological factors, military leadership is facing a continuum of fast pace changes, all this requiring an increased speed in molding additional skills, thus re-shaping itself.

Probably for this century or the next there would be little mystery about requisite competencies for a military leader. Desirable skills and qualities may vary but certainly progress of the design of human systems or organizations has been outpaced by technological advance and during the last 50 years higher expectations on what constitute appropriate leadership behavior evolved. The ability to deal with cognitive complexity, intellectual flexibility, tolerance of ambiguity and an enhanced understanding of the relationships among organizational elements would supplement the timeless military leader qualities: integrity, courage, commitment to institutional values. All the above is needed to sustain military leadership when the pace of future warfare, intensity and technological complexity would reach unprecedented dimensions.

As about adequate theory to apply, given all new elements on stage, the situational leadership theory would fit current needs of all democratic countries military organizations.

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BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

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CONTENTS

Introduction

Business Ethics and Social Responsibility

1. The Modern Business Environment
2. The Growth of Corporate Responsibility

II. Ethics in Business

III. How to recognize Ethical Issues in Business

1. Ethical Issues
2. Making Decisions about Ethical Issues

IV. Improving Ethical Behavior in Business

V. The Nature of Social Responsibility

1. Social Responsibility Problems (issues)

Conclusions

References

BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

INTRODUCTION

The word 'ethics' means many **standards of right and wrong behavior**. In the same time we often use 'morality'. New preoccupation is about whether or not businesses are done in an ethical way. But in the 19th Century everybody in the world more or less accepted the Christian code of ethical behavior, and businesses were expected to follow. Some businesses, set very high standards.

Ethics, well known as **moral philosophy**, is a category of philosophy that involves systematizing, defending, and recommending concepts of all right and wrong behaviors.

Most of major areas of study in ethics are including:

- Meta-ethics, about the theoretical meaning and reference of moral propositions and how their truth values may be determined;
- Normative ethics, about the practical means of determining a moral course of action;
- Applied ethics, about how moral outcomes can be achieved in specific situations;

Ethics involves learning what is right or wrong, and then doing the right thing -- but "the right thing" is not nearly as straightforward as conveyed in a great deal of business ethics literature.

Examples of universal ethical standards develop by **Character Counts**, a nonpartisan organization of educators, community leaders, and ethicists.

Trustworthiness	Be honest. Don't deceive, cheat, or steal. Do what you say you'll do.
Respect	Treat others how you'd like to be treated. Be considerate. Be tolerant of differences.
Responsibility	Persevere. Be self-controlled and self-disciplined. Be accountable for your choices.
Fairness	Provide equal opportunity. Be open-minded. Don't take advantage of others.
Caring	Be kind. Be compassionate. Express gratitude.
Citizenship	Contribute to the community. Protect the environment. Cooperate whenever feasible. ¹

The concept is coming for meaning various things to various people, but generally it's coming to know what it right or wrong in the workplace and doing what's right -- this is in regard to effects of products/services and in relationships with stakeholders. Attention to business ethics is very important during times of fundamental change -- times much like those faced now by businesses, either nonprofit or for-profit. When fundamental change appeared, values that were previously taken for granted are now strongly interrogated. Many of these values are no longer followed. Consequently, there is no clear moral compass to guide leaders through complex dilemmas about what is right or wrong. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Probably most important, attention to ethics in the workplaces helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass. However, attention to business ethics provides numerous other benefits.

Note that many people react that business ethics, with its continuing attention to "doing the right thing," only asserts the obvious ("be good," "don't lie," etc.), and so these people don't take business ethics seriously. For many of us, these principles of the obvious can go right out the door during times of stress. Consequently, business ethics can be strong preventative medicine. Anyway, there are many other benefits of managing ethics in the workplace.

Two Large Areas of Business Ethics

-Managerial mischief. Madsen and Shafritz, in their book "Essentials of Business Ethics" (Penguin Books, 1990) further explain that "managerial mischief" includes

"illegal, unethical, or questionable practices of individual managers or organizations, as well as the causes of such behaviors and remedies to eradicate them."

-Moral mazes. The other large area of business ethics is "moral mazes of management" and includes the numerous ethical problems that managers must deal with on a daily basis, such as potential conflicts of interest, wrongful use of resources, mismanagement of contracts and agreements, etc.

Ethics and Social Responsibility. It is clearly impossible to do a fair comparison between ethical standards and social responsibility

Social responsibility is the economic factor, legal, ethical, and much clarified expectations that society has of organizations at a given point in time. The concept of social responsibility means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. A traditional view of the corporation suggests that its primary, if not sole, responsibility is to its owners, or stockholders. However, Social Responsibilities requires organizations to adopt a larger view of its responsibilities that includes not only stockholders, but many other constituencies as well, including employees, suppliers, customers, the local community, local, state, and federal governments, environmental groups, and other special interest groups.

Social responsibility is not identical with business ethics, but related to. While Social Responsibilities covers the economic, legal, ethical, and very well set responsibilities of organizations, business ethics all the time focuses on the moral judgments and behavior of individuals and groups within organizations. Because of that, the study of business ethics may be seen as a important component of the larger study of corporate social responsibility.

Nature of multi-faces social responsibility. The economic responsibilities refer to expectation of the society that organizations will produce goods and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations are expected to be very efficient, very profitable, and to keep all the time shareholder interests in mind. The legal responsibilities relate to the expectation that organizations will comply with the laws set down by society to govern competition in the marketplace. Organizations have a lot of legal responsibilities managing almost every aspect of their operations, including environmental laws, consumer and product laws, and employment laws. The ethical responsibilities concern societal expectations that go beyond the law, such as the expectation that organizations will conduct their affairs in a fair and just way. This

means that organizations are expected to do more than just comply with the law, but also make proactive efforts to anticipate and meet the norms of society even if those norms are not formally enacted in law. Finally, the discretionary responsibilities of corporations refer to society's expectation that organizations be good citizens. This may involve such things as philanthropic support of programs benefiting a community or the nation. It may also involve donating employee expertise and time to worthy causes.

Companies have taken an increased interest in social responsibility for a combination of reasons. The role government has played in legislations requiring certain social behaviors have decreased, giving businesses more freedom to decide their social responsibilities themselves. Investors and customers alike have begun to demand stricter policies on the part of companies regarding not only their attitudes toward the environment and the people they interact with, but also how much information they reveal.

Many companies have applied their social responsibility guidelines to the hiring process as well, seeking out employees who have ethical credentials or who agree with the company's moral standards. To keep such employees, businesses are paying more attention to the way they treat their work force, including the incentives they provide for performance and working conditions. Externally, many of the same policies are being applied up and down the supply chain, as companies look for suppliers and distributors who share their ethical concerns. Partnerships are formed with social responsibility as a factor in the contracts.

History

The nature and scope of **corporate social responsibility** has changed over time. The concept of corporate social responsibility is a relatively new one—the phrase has only been in wide use since the 1960s. But, while the economic, legal, ethical, and discretionary expectations placed on organizations may differ, it is probably accurate to say that all societies at all points in time have had some degree of expectation that organizations would act responsibly, by some definition.

In the 1960s and 1970s the civil rights movement, consumerism, and environmentalism affected society's expectations of business. Based on the general idea that those with great power have great responsibility, many called for the business world to be more proactive in ceasing to cause societal problems and starting to participate in solving societal problems. Many legal mandates were placed on business related to equal employment opportunity, product safety, worker safety,

and the environment. More than that, society began to expect business to participate in voluntary way for solving societal problems whether they had caused the problems or not. This was based on the view that corporations should go beyond their economic and legal responsibilities and accept responsibilities related to the betterment of society. This view of corporate social responsibility is the prevailing view in much of the world today.

Should Businesses Be Expected to Behave Ethically?

One argument is that businesses are products of the society in which they operate, in which they sell their products, and in which they hire their employees. So businesses should be expected to reflect the ethical standards of the surrounding society. One problem with this view is that society doesn't always have clear ethical standards to which businesses can stick. For example, some people care passionately about animal experiments, and argue it is deeply unethical, whereas many other people say such experiments are justified if real people benefit medically from the research. What is a business supposed to do?

The opposite argument is that business is supposed to make a profit for their owners, to create jobs for employees, and to create wealth for society as an entire unit. Anything else is at best an irrelevance and at worst simply gets in the way of profitable business.

The center argument is that businesses in the real world would like to do both, if possible. But there will always be conflicts. What then happens? Does the business stick with the ethical behavior? Usually the business will go for the profits and it is this which upsets many people, although perhaps people sometimes expect too much and haven't really thought through the consequences of their own opinions.

Are Businesses Behaving More Ethically?

Research suggests middle and junior managers care quite a lot about ethical behavior, but that senior managers still care mainly about profit. To the extent that it is senior managers that make the decisions, then little has changed, but middle managers can gradually shift the climate of opinion in a business.

Well-publicized cases such as Shell and the Brent Spar suggest businesses have become more sensitive to public opinion about ethical behavior and have begun to behave more ethically (as opposed to just saying that they do). Cynics argue this is not because of a change of heart, but merely yet another changed response to changed market conditions in the eternal pursuit of profit.

Determining how to conduct business appropriately can be challenging. Wrong doing by businesses has focused public attention and government involvement to encourage more acceptable business conduct. Any business decision may be judged as right or wrong, ethical or unethical, legal or illegal.

In this paper, I will take a look at the role of ethics and social responsibility in business decision making. First, we define business ethics and examine why it is important to understand ethics' role in business. Next, we explore a number of business ethics issues to help you learn to recognize such issues when they arise. Finally, we consider steps businesses can take to improve ethical behavior in their organizations. The second half of the paper focuses on social responsibility. We define social responsibility and then survey some important responsibility issues and how companies have responded to them.

I. Business Ethics and Social Responsibility

In this chapter, we define **business ethics** as the principles and standards that determine acceptable conduct in business organizations. The level of acceptance of behavior in business is determined by every individual's personal moral principles, and also by values of customers, competitors, government regulators, interest groups, and the public.

Many consumers and social advocates believe that businesses should not only make a profit but also consider the social implications of their activities. We define social responsibility as a business's obligation to increase its positive impact and to decrease its negative impact on society. Although many people use the terms *social responsibility* or *ethics* one or other even if this terms are not meaning the same thing. Business ethics relates to an decision's *individual's* or a *work group's* that entire society evaluates as right or wrong, whereas social responsibility is a larger concept that concerns the impact of the *entire business's* activities on society. From an ethical perspective, for example, we may be concerned about a health care organization or practitioner overcharging the provincial government for medical services. From a social responsibility perspective, we might be concerned about the impact that this overcharging will have on the ability of the health care system to provide adequate services for all citizens.

The most basic ethical and social responsibility concerns have been transformed as laws and regulations that force businesses to conform to society's standards, values,

and attitudes. At a minimum, managers are expected to obey these laws and regulations. Most legal issues arise as choices that society deems unethical, irresponsible, or otherwise unacceptable. However, all actions deemed unethical by society are not necessarily illegal, and both legal and ethical concerns change over time. Business law refers to the laws and regulations that govern the conduct of business. Many problems and conflicts in business can be avoided if owners, managers, and employees know more about business law and the legal system. Social responsibility, business ethics, and laws together are a compliance system forcing that business and employees have responsible behavior in society.

I.1. The Modern Business Environment

Today, things have got more complicated because:

1. There is no longer one agreed moral code. Most people have a weak sense of religion or none at all. So their morals must come from somewhere else.
2. There are competing religious and social moral codes, especially for multinational companies operating in different parts of the world and employing people from different cultures.
3. The pursuit of profit has become a goal in its own right, and this puts pressures on people to compromise their standards, not just ethically, but in less important areas also. For example, a very rude manager might be tolerated because he makes large profits. So when good behavior and good profits come into conflict, businesses find it difficult to resist the profits.
4. Businesses are only the people who work there; businesses don't decide anything – it's the people who make decisions. But businesses have group cultures with their own norms and standards. Individuals have a strong need to fit in and be accepted, so it is very difficult for any individual to stand up against attitudes and decisions they disagree with.
5. Greater wealth in the western economies means people have less tolerance for ethically dubious behavior. We are no longer so desperate for growth and employment at any cost. People are also better educated and better informed. People are less deferential if they are less accepting of what people in authority say. So there are higher expectations of how businesses should behave.
6. Businesses have to sell to consumers and employ workers who have their own standards and opinions. They are not going to buy from or work for a business they

disapprove of. So there is a competitive pressure for better behavior from businesses.

7. Many managers and owners have ambitions of social acceptance and recognition, and so are not going to get caught behaving unethically.

8. Modern technology creates ethical dilemmas which never existed until quite recently. Medical products, and gene technologies, are a good example of this. Should parents be allowed to alter the genes of their unborn children, and should businesses sell the products to do this?

You can see that these factors all pull in different directions. It has all got a lot more difficult and a lot more complicated. Some businesses set up special committees to discuss and decide ethical problems, and they may even employ a professional philosopher to help them.

I.2 The Growth of Corporate Responsibility

‘Corporate responsibility’ is the two words used to describe businesses which have decided to behave in a deliberately socially responsible manner.

Obedying the law strictly, doesn’t always solve these problems, although it does keep the business out of trouble with the authorities. Laws are general, and don’t always act as a good guide to decisions in any one individual case. Laws have to judge by courts, and it is not always obvious what is illegal until the case goes to court. Laws don’t cover all the areas that people consider important in ethical behavior.

In many cases different ethical principles goes in opposite directions. For example, closing a polluting factory may be good for the environment, but it is not going to help the local community who need the jobs and the incomes. What should the business do? Whatever it does, it is going to upset and disturb one group of people or another, because society at large cannot clearly answer these questions, and there is no clear guide to the business how to behave.

Businesses which get caught acting unethically suffer much more damage than used to be the case. The press is much more active in investigating and publicizing such cases. The population at large takes more interest, has their own views, and is more willing to let their displeasure be known. Pressure groups opposed to some activities of business are much better organized, better financed and better able to attack such businesses. Whistle-blowing is more acceptable, and even protected by law in some countries, so access to secret information is now better.

II. Ethics in Business - Role

Although we will not tell you in this chapter what you ought to do, others such as your superiors, co-workers, and family should make judgments about the ethics of your actions and decisions. Learning how to recognize and resolve ethical issues is a very important level in evaluating ethical decisions in business.

There are good business reasons for a strong commitment to ethical values:

1. Ethical companies have been shown to be more profitable.
2. Making ethical choices results in lower stress for corporate managers and other employees.
3. Our reputation, good or bad, endures.
4. Ethical behavior enhances leadership.
5. The alternative to voluntary ethical behavior is demanding and costly regulation.

It is important to understand that business ethics are more than legal issues. Ethics are going for building trust among individuals and in business relationships, which certifies and promotes confidence in business relationships. Establishing trust and confidence is much more difficult in organizations that have established reputations for acting unethically. If you were to discover, for example, that a manager had misled you about company benefits when you were hired, your trust and confidence in the company would probably diminish. And, if you learned that a colleague had lied to you about something, you probably would not trust or rely on that person in the future.

KPMG, a leading accounting and consulting firm, provides assistance to firms that want to develop ethics programs to avoid ethical problems and build trust and integrity in business relationships.

As we well know the incidents of unethical activity—ranging from health care fraud to using the Internet to gain personal information from young children to charges of deceptive advertising of food and diet products to unfair competitive practices in the computer software industry—increasing the public's perception that ethical standards and the steps of trust in business need to be raised.

III. How to recognize Ethical Issues in Business

In order to know how to recognize ethical issues is the most important step in understanding business ethics. An ethical problem is some of identifiable issue, situation, or opportunity who needs a person to choose from among several actions that may be take in consideration as right or wrong, ethical or unethical. In business, such a choice often involves weighing monetary profit against what a person considers appropriate conduct. The best solution to consider important the ethics of a decision is to look at a situation from a customer's or competitor's viewpoint: Should liquid-diet manufacturers make unsubstantiated claims about their products? Should an engineer agree to divulge her former employer's trade secrets to ensure that she gets a better job with a competitor? Should a salesperson omit facts about a product's poor safety record in his presentation to a customer?

Such questions require the decision maker to evaluate the ethics of his or her choice. Not all shortcomings in business ethics are global in scope. Many affect us more directly and with greater immediacy.

Many business issues may seem straightforward and easy to resolve, but in reality, a person often needs several years of experience in business to understand what is acceptable or ethical.

For example, if you are a salesperson, when does offering a gift to a customer become a bribe rather than just a sales practice? Clearly, there are no easy answers to such a question. But the size of the transaction, the history of personal relationships within the particular company, as well as many other factors may determine whether an action will be judged as right or wrong by others.

III.1 Ethical Issues

To help you understand ethical issues that perplex business people today, we will take a brief look at some of them in this section. The vast number of news-format investigative programs has increased consumer and employee awareness of organizational misconduct. In addition, the multitude of cable channels and Internet resources has improved the awareness of ethical problems among the general public.

An Ethics Resource Centre/Society for Human Resource Management survey of US employees indicates that workers witness many instances of ethical misconduct in

their organizations. Workers report multiple observations of ethical misconduct; therefore, each category is an independent question of observed misconduct. When employees were asked the principal causes of unethical behavior in their organizations, the key factor reported was overly aggressive financial or business objectives. Many of these issues relate to decisions and concerns that managers have to deal with daily. It is not possible to discuss every issue, of course. However, a discussion of a few issues can help you begin to recognize the ethical problems with which businesspersons must deal. Majority of ethical issues in business can be put in the context of their relation to be opposite which interest, fairness and honesty, business associations and communications,.

The Conflict of Interest. A conflict of interest appears when a person must choose between to advance his or her own personal interests or those of others. For example, a manager in a corporation is supposed to ensure that the company is profitable so that its stockholder-owners receive a return on their investment. In other words, the manager has a responsibility to investors. If she instead makes decisions that give her more power or money but do not help the company, then she has a conflict of interest— she is acting to benefit herself at the expense of her company and is not fulfilling her responsibilities. To avoid conflicts of interest, employees must be able to separate their personal financial interests from their business dealings. As mentioned earlier, it is considered improper to give or accept **bribes**— gifts, payments, or any special favors that could influence the outcome of a decision. A bribe is a conflict of interest because it benefits an individual at the expense of an organization or society.

Fairness and Honesty. Fairness and honesty are at the heart of business ethics and deal together to the general values of decision makers. At a minimum, businesspersons are expected to follow all applicable laws and regulations. But beyond obeying the law, they are expected not to harm customers, employees, clients, or competitors knowingly through deception, misrepresentation, coercion, or discrimination. One aspect of fairness relates to competition. Although numerous laws have been passed to foster competition and make monopolistic practices illegal, companies sometimes gain control over markets by using questionable practices that harm competition.

Another aspect of fairness and honesty relates to disclosure of potential harm caused by product use.

Communications. Communications is another area in which ethical concerns may arise. False and misleading advertising, as well as deceptive personal-selling tactics, anger consumers and can lead to the failure of a business.

Business Relationships. The behavior of businesspersons toward customers, suppliers, and others in their workplace may also generate ethical concerns. Ethical behavior within a business involves keeping company secrets in very good conditions, going together with obligations and responsibilities, and trying to avoid undue pressure that may force others to act unethically. Managers, in particular, because of the authority of their position, have the opportunity to influence employees' actions.

It is the responsibility of managers to create a work environment that helps the company achieve its objectives and fulfill its responsibilities. However, the methods that managers use to enforce these responsibilities should not compromise employee rights. Organizational pressures may encourage a person to engage in activities that he or she might otherwise view as unethical, such as invading others' privacy or stealing a competitor's secrets. Or the firm may provide only vague or lax supervision on ethical issues, providing the opportunity for misconduct. Managers who offer no ethical direction to employees create many opportunities for manipulation, dishonesty, and conflicts of interest.

Plagiarism is when somebody takes the work from somebody and presents it as your own without mentioning the source—is another ethical issue. In business, an ethical issue arises when an employee copies reports or takes the work or ideas of others and presents them as his or her own. A manager attempting to take credit for a subordinate's ideas is engaging in another type of plagiarism.

III.2 Making Decisions about Ethical Issues

Who is responsible?

EMPLOYEES	Creating Jobs that Work
CUSTOMERS	Value, Honesty, and Communication
INVESTORS	Fair Stewardship and Full Disclosure
COMMUNITY	Business and being good citizens
ENVIRONMENT	Sustainable Development
GOVERNMENT	Follow laws, regulations, pay taxes

Although we have presented a variety of ethical issues that may arise in business, it can be hard to recognize some of specific ethical issues in practice. In case when a decision maker recognizes an problem as an ethical one often depends on the problem itself. Managers, for example, tend to be more concerned about issues that affect those close to them, as well as issues that have immediate rather than long-term consequences. Thus, the perceived importance of an ethical issue substantially affects choices, and only a few issues receive scrutiny, while most receive no attention at all.

Open discussion of ethical issues does not eliminate ethical problems, but it does promote both trust and learning in an organization.

When people feel that they cannot discuss what they are doing with their coworkers or superiors, there is a good chance that an ethical issue exists. Once a person has recognized an ethical issue and can openly discuss it with others, he or she has begun the process of resolving an ethical issue. Companies subcontracting manufacturing operations abroad are now aware of the ethical issues associated with supporting facilities that abuse and/or underpay their work forces.

New codes of conduct have been established to assist companies in identifying and addressing these ethical issues.

Ethical decisions involve questions about how we ought to behave. The decision process must consider cultural and religious background. A review of the literature will reveal many possible frameworks for making ethical and moral decisions, but all will consider the matter relative to those standards held important by the decision

maker. Such traits as honesty, compassion, and fairness, as well as the individual's sense of right and wrong, will play an important part.

Five-step framework for Applied Ethics is:

1. Recognize a moral issue.
2. Get the facts.
3. Evaluate the alternative actions from various moral perspectives.
4. Make a decision.
5. Act, and then reflect on the decision later.

IV. Improving Ethical Behavior In Business

The purpose for this chapter help us to know very well how people make ethical choices and what prompts a person to act, because, unethically can reverse the current direction toward unethical behavior in business. Some questions occur:

Are there any potential legal restrictions or violations that could result from the action?

Does your company have a specific code of ethics or policy on the action?

Is this activity customary in your industry? Are there any industry trade groups that provide guidelines or codes of conduct that address this issue?

Would this activity be accepted by your co-workers? Will your decision or action withstand open discussion with co-workers and managers and survive untarnished?

How does this activity fit with your own beliefs and values?

How would you feel if your actions were published in the newspaper?

Ethical settlements in an organization may be influenced by those important factors: individual moral standards, the influence of some managers and co-workers, and the possibility to engage in misconduct. While you have great control over your personal ethics outside the workplace, our co-workers and management team exert significant control over your choices at work through authority and example. In fact, the activities and examples set by co-workers, along with policies and rules set by the firm, are critical in obtaining consistent ethical compliance in an organization. If the company fails to provide good examples and direction for appropriate conduct, confusion and conflict will develop and result in the opportunity for misconduct. If your boss or co-workers leave work early, you may be tempted to do so as well. If you see co-workers making personal long-distance phone calls at work and charging them to the

company, then you may be more likely to do so also. In addition, having sound personal values contributes to an ethical workplace.

It is difficult for employees to find what conduct is almost good within a company if the firm does not have standards and ethics policies. And without such policies and standards, employees may base decisions on how their peers and superiors behave.

Whistle blowing appears when an employee is exposing an employer's wrongdoing to outsiders, such as the media or government regulatory agencies. However, more companies are establishing programs to encourage employees to report illegal or unethical practices internally so that they can take steps to remedy problems before they result in legal action or generate negative publicity. Unfortunately, whistleblowers are often treated negatively in organizations. Organizations recognize that effective business ethics programs are good for business performance. Firms that develop higher levels of trust function more efficiently and effectively and avoid damaged company reputations and product images. Organizational ethics initiatives have been supportive of many positive and diverse organizational objectives, such as profitability, hiring, employee satisfaction, and customer loyalty.

V. The Nature of Social Responsibility

There are four dimensions of social responsibility: economic, legal, ethical, and voluntary. Earning profits is the economic foundation of the pyramid, and after that complying with the law is the next step. A business whose *sole* objective is to maximize profits is not likely to consider its social responsibility, although its activities will probably be legal. Finally, free responsibilities are additional activities that may not be required but which put high human welfare or goodwill. Legal and economic concerns have long been acknowledged in business, but voluntary and ethical issues are more recent concerns. A business that is concerned about society as well as earning profits is likely to invest voluntarily in socially responsible activities.

V.1 Social Responsibility Problems (issues)

Managers consider social responsibility on a daily basis as they deal with real issues in the same way ethics, for:

1. Business helped to create many of the social problems that exist today, so it should play a significant role in solving them, especially in the areas of pollution reduction and cleanup.
2. Businesses should be more responsible because they have the financial and technical resources to help solve social problems.
3. As members of society, businesses should do their fair share to help others.
4. Socially responsible decision making by businesses can prevent increased government regulation.
5. Social responsibility is necessary to ensure economic survival: If businesses want educated and healthy employees, customers with money to spend, and suppliers with quality goods and services in years to come, they must take steps to help solve the social and environmental problems that exist today.

Against:

1. It sidetracks managers from the primary goal of business—earning profits. Every dollar donated to social causes or otherwise spent on society's problems is a dollar less for owners and investors.
2. Participation in social programs gives businesses greater power, perhaps at the expense of particular segments of society.
3. Some people question whether business has the expertise needed to assess and make decisions about social problems.
4. Many people believe that social problems are the responsibility of government agencies and officials, who can be held accountable by voters.

Relations with Owners and Shareholders

Businesses must first be responsible to their owners, who are primarily concerned with earning a profit or a return on their investment in a company. In a small business, this responsibility is fairly easy to fulfill because the owner(s) personally manages the business or knows the managers well. In larger businesses, particularly corporations owned by thousands of stockholders, assuring responsibility to the owners becomes a more difficult task.

A business's responsibilities to its owners and investors, as well as to the financial community at large, include maintaining proper accounting procedures, providing all

Employee Relations

Another issue of importance to a business is its responsibilities to employees, for without employees a business cannot carry out its goals. Employees expect that businesses to assure a safe workplace, pay them in the same quantity with their work, and tell them what is happening in their company. They want employers to obey to their grievances and treat them fairly.

Labor unions have also made significant contributions to achieving safety in the workplace and improving wages and benefits. Most organizations now recognize that the safety and satisfaction of their employees are critical ingredients in their success, and many strive to go beyond what is expected of them by the law. Healthy, satisfied employees supply more than just labor to their employers, however.

Employers are beginning to realize the importance of obtaining input from even the lowest-level employees to help the company reach its objectives.

A major social responsibility for business is providing equal opportunities for all employees regardless of their sex, age, race, religion, or nationality. Women and minorities have been slighted in the past in terms of education, employment, and advancement opportunities; additionally, many of their needs have not been addressed by business. For example, women, who continue to bear most child-rearing responsibilities, often experience conflict between those responsibilities and their duties as employees. Consequently, day care has become a major employment issue for women, and more companies are providing day-care facilities as part of their effort to recruit and advance women in the work force. In addition, companies are considering alternative scheduling such as flex-time and job sharing to accommodate employee concerns.

Consumer Relations

A critical issue in business today is business's responsibility to customers, who look to business to provide them with satisfying, safe products and to respect their rights as consumers. The activities that independent individuals, groups, and organizations undertake to protect their rights as consumers are known as **consumerism**. To achieve their objectives, consumers and their advocates write letters to companies, lobby government agencies, make public service announcements, and boycott companies whose activities they deem irresponsible.

Environmental Issues

Environmental responsibility becomes being a leading problem in the last decade as both business and the public acknowledge the damage done to the environment in the past. Today's consumers are increasingly demanding that businesses take a greater responsibility for their actions and their impact on the environment.

Animal Rights - One area of environmental concern in society today is animal rights. Probably the most controversial business practice in this area is the testing of cosmetics and drugs on animals who may be injured or killed as a result.

Pollution - Another major issue in the area of environmental responsibility is pollution.

CONCLUSIONS

Ethics and social responsibility bourns an obligation for big companies to do more than just obey the law. Profit increasing and shareholder grow up can not be the only priority of organizations any longer. Managers must be focused with product and service quality, fair trade, sustainability, cooperatives and employee ownership possibilities and promoting an environment where work and life are well balanced. Managers must elaborate strategies that put in the front line ethical practices and a socially responsible organization.

Should Businesses Be Expected to Behave Ethically?

One argument is that businesses are products of the society in which they operate, in which they sell their products, and in which they hire their employees. So businesses should be expected to reflect the ethical standards of the surrounding society. One problem with this view is that society doesn't always have clear ethical standards to which businesses can stick. For example, some people care passionately about animal experiments, and argue it is deeply unethical, whereas many other people say such experiments are justified if real people benefit medically from the research. What is a business supposed to do?

The opposite argument is that business is supposed to make a profit for their owners, to create jobs for employees, and to create wealth for society as a whole. Anything else is at best an irrelevance and at worst simply gets in the way of profitable business. See [What's Wrong with Ethical Corporate Behavior](#) for a counter-argument.

The middle argument is that businesses in the real world (or most of them, at least) would like to do both, if possible. But there will always be conflicts. What then happens? Does the business stick with the ethical behavior? Usually the business will go for the profits and it is this which upsets many people, although perhaps people sometimes expect too much and haven't really thought through the consequences of their own opinions.

Are Businesses Behaving More Ethically?

Research suggests middle and junior managers care quite a lot about ethical behavior, but that senior managers still care mainly about profit. To the extent that it is senior managers that make the decisions, then little has changed, but middle managers can gradually shift the climate of opinion in a business.

Workplace ethics set the standard for right and wrong, making policies more efficient and the workplace more orderly. Managing ethics in the workplace holds tremendous benefit for leaders and managers, benefits both moral and practical. This is particularly true today when it is critical to understand and manage highly diverse values in the workplace. However, today's training about business ethics is flawed. Above the contents are very useful to avoid from flawed of ethics, if the organization could be followed.

Business ethics is now a management discipline

Business ethics has come to be considered a management discipline, especially since the birth of the social responsibility movement in the 1960s. In that decade, social awareness movements raised expectations of businesses to use their massive financial and social influence to address social problems such as poverty, crime, environmental protection, equal rights, public health and improving education. An increasing number of people asserted that because businesses were making a profit from using our country's resources, these businesses owed it to our country to work to improve society. Many researchers, business schools and managers have recognized this broader constituency, and in their planning and operations have replaced the word "stockholder" with "stakeholder," meaning to include employees, customers, suppliers and the wider community.

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MANAGEMENT AND WORKFORCE DIVERSITY

LTC Eduard BORHAN

CONTENTS

Introduction

- I. Chapter 1 Dimensions of diversity**
 - 1. Social dimension of diversity
 - 2. Economical dimension of diversity
- II. Chapter 2 Managing the diversity**
 - 1. Diversity Management(DM)
 - 2. Diversity management implementation
 - 3. DM promoting programs within organization
- III. Chapter 3 Diversity in military organisation**

Conclusions

References

MANAGEMENT AND WORKFORCE DIVERSITY

„In varietate Concordia”

INTRODUCTION

Humanity is showing openly today, more than ever, with all ephemeral and contingent individualities and limits. In the actual context of changes, the history is developing new and concrete areas of interest: speeches and representations, life practices, daily structure, identity building, political culture seen in terms of attitude and behaviour. Certain issues, such as citizenship and civil society – environment where, according to liberal postulates, each individual is assumed to be free and equal in relation to others – have been analysed today, increasing the interest in areas such as sociology, philosophy of law, politics, history, feminist theory, etc.

*Diversity can be defined as a variety of conditions and activities that create an environment where people can reach their full potential, no matter how much they differ from each other.*¹

*We could also say that diversity means that every person is unique and has the right to respect for his or her individual/collective differences. These differences can be understood in the dimension of race, ethnicity, gender, sexual orientation, social and economic position, age, physical abilities, and religious beliefs, political or ideological conviction. These differences have to be approached in a safe and positive environment that should be open to social learning. Understanding the other involves a shift from simple tolerance to the acceptance and celebration of the richness which is inherent in the Diversity that exists in each of us.*²

The arguments for developing a work on diversity management works and the role of diversity in the present-day society are:

- describing diversity as a fact of present-day society in the context of the membership to the European institutions as a result of globalization;
- presentation of facts that are unconditionally accepted or ignored;
- identifying the possible measures in the diversity management and social development projects.

¹ Pell, R. Arthur , Human Resources Management, page 118

² www.mediadiversity.eu

Requirements for quality, innovation and globalization have led organizations to seek new solutions to problems raised and at the same time, to recognize the heterogeneity of employees in order to create new products and win new markets.

Once recognized this value, the great challenge for the management of organizations is to foster an environment where every employee become able to express and use their full potential, both from physically and intellectually points of view.

Diversity management has become increasingly stronger in order to cope and manage the full diversity, taking into account the differences seen in various categories of employees - issues related to race, ethnicity, gender and sexual orientation, age and disability, religion, socioeconomic status origins, region of origin, family status, physical ability and mental ability.

The principle of equality must be observed in the sense of using the differences raised in various areas: employees' expectations, cultural traditions, the religious precepts that are related to each person's identity.

The organizational culture is enriched and, in terms of performance, building a mosaic within the organization means recognizing the distinct contribution of each member, by accepting differences and not by erasing them.

In general terms, diversity management, including practices that ensure equal opportunities and affirmative action, focuses more on equality by difference than by similarity, favouring acceptance and use of differences between individuals and groups and recognizing the benefits that diversity can bring in an organization.

Removal of discrimination aims to equal opportunities for all individuals and it is a strategy currently adopted by many organizations, even if it is only a component of diversity management. The diversity management means a lot more – using diversity by maximizing the employees' potential.

Diversity, as a complex and controversial phenomenon, characterizing the current social structures, causes significant effects in both society and organizations and their management.

Nowadays not only the perspective of equal opportunities for traditionally disadvantaged groups is important, but also sustaining the workforce in the entire diversity of population groups.

Equality, fairness and non-discrimination at work become objective requirements of the current social and economic environment, that go beyond the ethical behaviour on the labour market.

Acceptance of diversity is still a slow process, just like the erosion one. At the moment, the old beliefs are very difficult to maintain. Most of us learn to control our reactions based on myths, emotions and traditional stereotypes, to become aware of the current changes and to have a critical vision. The old instincts and behaviour patterns are replaced with new information and experiences, enabling our response to others to become less passionate and more thoughtful.

Regarding the diversity effects, the discussions focus on both the economic and psycho-social dimensions. The economic effects are conditioned by the exploitation of the aspects identified as positive in diversity (e.g. creativity and innovation, determined just by the many perspectives of solving problems), while minimizing the negative aspects.

The gender diversity is necessary and natural in institutions structures and leading teams and it is a desirable situation that has never been accomplished till now. Segregation phenomenon (not just the employment one), based on gender criteria, is found in every region, in any political system, at each economic level and in all religious social or cultural environments.

Specific measures have been developed in order to diminish the effects of the segregation phenomenon: the non-discrimination practices (EEO – Equal Employment Opportunities) and the favourable practices (AA – affirmative action), of American origin, that have been adopted, sometimes with the same name, in many countries and cultures. Of course, although they are not identical, the efforts in all three directions are not mutually exclusive, but they ideally can support each other.

It is proved that fact that while the equal opportunities politics and the affirmative action mainly serve social goals, the diversity management has an economical purpose; therefore it differs from the first measures through objective, approach and character.

I. Dimensions of diversity

I.1. Social dimension of diversity

Diversity management focuses on the idea of an equality that exploits the differences both at non-dominant or under-represented social groups and individual levels. Diversity management means taking into consideration the differences seen in various categories - issues of race, ethnicity, sexual orientation, age, disabilities, in close relationship with the cultural ones.³

³ Prodan, Adriana – *Human Resources Management*, Ed. Sedcom Libris, Iași, 1999, pag.34

These projects have targeted mostly women over time, people with disabilities, minorities, immigrants, groups with different sexual orientation, etc.

Despite being a relatively new concept, the first debates on diversity occurring in the 1970s United States, we believe that diversity is not a new problem, but since the establishment of the first complex civilizations.

Regarding the Roman epoch and society, due to the extent of this empire and all its populations, even then there were questions related to diversity and the ways this should be approached. We know that the Roman troops were formed in the empire provinces, that populations were displaced between provinces, that the workforce was formed of slaves coming from all over the empire. Yet the Roman army managed to work almost a millennium, successfully integrating all the soldiers whatever province they came from. However, we must not forget that these units established within the empire had Roman commanders and obeyed Roman tactics and rules.

We still find nowadays this surprising pattern in the French army. The famous Foreign Legion (la Légion étrangère) which is built by soldiers from all over the world that shares the facts that they are trained in French, have French commanders and obey French regulations and tactics.

Another surprising example from recent history is the one of the Red Army World War II. We can say that the strength of this army consisted precisely in its diversity. Even if the Red Army soldiers were from different social classes, nationalities and races and even if there were many cultural differences and different religions, they became an efficient fighting force that succeeded to win the final victory with the German occupant.

Through army institution the states integrate the individual skills and knowledge of the citizens who perform military service in order to satisfy the social need of security.

Through other institutions the states attempt to provide equal opportunities principle, to eliminate social exclusion, to integrate immigrants and to use, as companies also attempt, the diversity as a resource.

I.2. Economical dimension of diversity

Diversity management promotes and encourages the employees' individual needs and abilities and turn them into value at the human capital level within an organization.

The final goal is to manage the whole diversity, by observing the principle of equality in a context of different expectations of the employees, cultural traditions, religious precepts, personnel's identity, enriching in this manner the organizational culture.⁴

*Diversity culture generates high creativity, different solutions to problems, flexible procedures.*⁵

The implementation of diversity management leads to:

- high performance;
- decreased absenteeism;
- highly loyal employees;
- social and emotional health of employees.

Even if the objective of the companies is to raise profit, the states aimed to increase the companies' interest and their support in developing social projects. The states try to achieve this objective by establishing legislation on the rights of different categories of population.

Football (soccer) was the first area having economic effects that has used diversity as a resource. Since the establishment of the professional football league, the football club managers have detected the opportunity of bringing foreign players and coaches. With their arrival, the football clubs have managed in some cases to increase the level of the game in internal and international competition, and in other cases to attract more spectators to the stadium. This pattern of management in sports is approached today both in Romania and in other countries in the world, the sportsmen in other countries being "naturalised" in more developed countries.

Advertising is another area that can illustrate in concrete terms how diversity can be used as a resource is the advertising area. If twenty years ago the foreign ads specifically addressed to the public from West and less to Romanian one, today the advertising industry has grown and specialised on Romanian particularities, beginning to promote Romanian products abroad. We can see in commercials symbolic characters that representing all social groups and their cultural values.

Television is in close connection with advertising and, along with the establishment of several TV stations and the increased competition (that also brings publicity and lots of money), has tried to promote diversity and to gain certain market segments or to strengthen its position in the market segments it has already entered.

⁴ Bogathy, Zoltan (coordinator), Manual of work and organizational psychology, Ed. Polirom , Iași, 2004- Diversity Management, page 315

II. Managing the diversity

II.1. Diversity management

Diversity Management is the active and conscious development of a future oriented, value driven strategic, communicative and managerial process of accepting and using certain differences and similarities as a potential in an organisation, a process which creates added value to the company.⁶

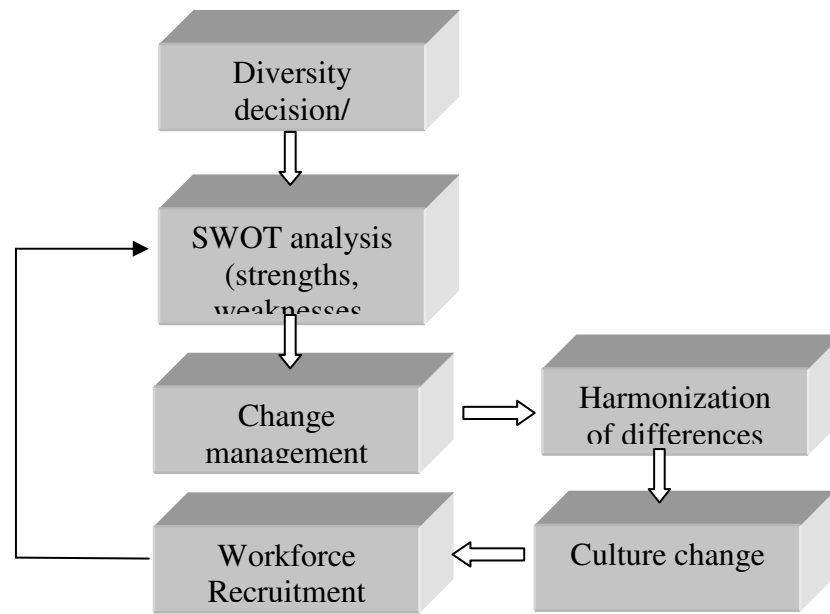


Fig. 1 - Company strategy for diversity integration

Advantages of Diversity Management:

- diverse workforce contributes to higher production of products and services;
- there are additional viewpoints and solutions;
- diversity looks good to the other companies that support the same recruitment view and might attract these to develop a partnership;
- diversity can attract new clients and good workers;

Disadvantages of Diversity Management:

- new strategies could generate a strong resistance to change;
- miscommunication could appear due to cultural differences;

⁵ www.cpe.ro (Partnership Center for Equality)

⁶ International Society for Diversity Management – idm -Training Manual for Diversity Management, page 6

- some tension can arise among personnel if they don't understand clearly the company goals and strategies regarding diversity;
- to maximize diversity benefit companies may need new employees: diversity managers, analysts;
- diversity programs are difficult to manage and quantify.

II.2. Diversity management implementation

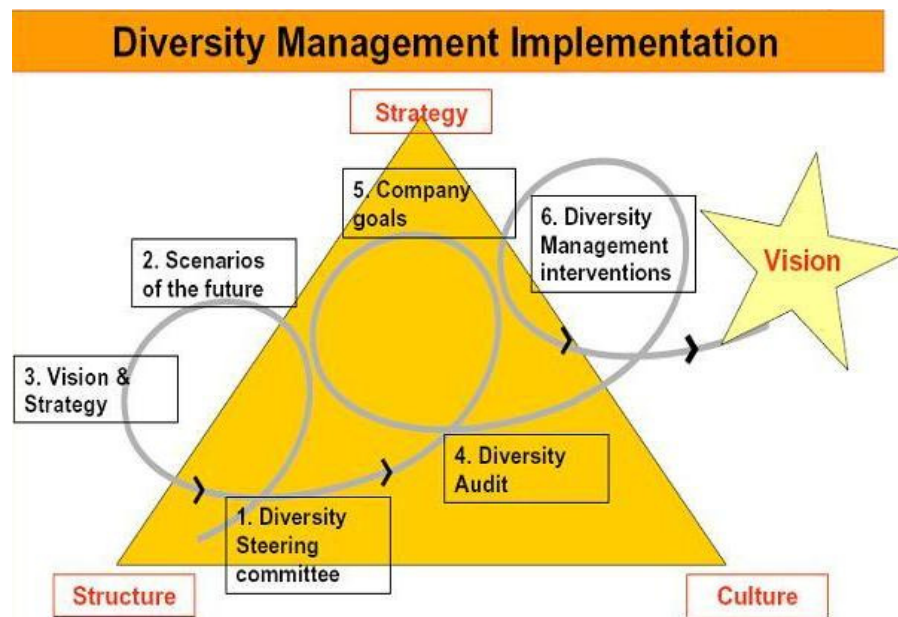


Fig.2 Diversity Management Implementation

Step 1 Diversity Steering Committee

Since most companies have a mono-cultural background (i.e., leadership predominantly composed of men between 30 and 40 years, of the dominant nationality, etc), there is a risk that analysis of the environment will be conducted in a restrictive manner and the requirements for any change viewed through a narrow perspective. In order to overcome these limitations a project team (Diversity Steering Committee) of committed people with diverse backgrounds could be formed by top management to widen this perspective.

This Diversity Steering Committee should be given a clear mandate and aim for a clear contractual basis for its work with the top management of the company.

Step 2 Scenarios of the future

Together with top management, key stakeholders and representatives of various departments of the company the Diversity Steering Committee should organise a so called Scenario Building Workshop. As a rule of thumb three different

scenarios of how the business world would look like (externally and internally) 10-20 years hence should be created – with an emphasis on the impacts and effects of diversity factors.

The aim is to prepare the company for various alternatives. In the end, one scenario should be selected and focused upon. (It will be important to conduct this exercise with external support such e.g. from facilitators).

Step 3 Vision and strategy

The next step should be to formulate a vision and mission of the company from the scenario selected previously. This exercise should involve top management and key stakeholders. It should focus on the strengths, weaknesses, opportunities and threats for the company emanating from the scenario. In the end, vision and mission statements should be formulated. The next step is to formulate the company's strategy emphasizing the way Diversity Management is to be implemented. A clear strategy will allow the company to move forward. Once a vision, mission and strategy have been formulated the company should now go back to the present situation and identify its current status quo. This requires a Diversity Audit.

Step 4 Diversity Audit

The Diversity Audit is a useful tool to analyse the company's current situation. Questions to be asked include: What is the attitude of top management and its workforce regarding diversity? What is the company's culture today? How "inclusive" are the structures and processes? The Diversity Audit is conducted through semi-structured, personal interviews with all stakeholder groups and may be accompanied by a standardized questionnaire to explore attitudes toward Diversity.

The outcome of the Diversity Audit should be taken up by the Steering Committee to present key findings about the status quo to a wider audience and to provide the starting point for outlining the appropriate "interventions" for change leading towards the adoption of a genuine Diversity Management approach.

Step 5 Company Goals

As a next step, Management together with the Diversity Steering Committee should define the company overall goals for implementation of Diversity Management.

These goals should be clearly related to the previously formulated overall strategy and ensure participation of all relevant divisions and departments. Each of

these should be invited to adjust these goals to its own context and define clear measurable criteria for achieving them.

Step 6 Diversity Management Implementation

During the implementation process the Steering committee plays a crucial role: it oversees, steers and accompanies the various activities. It serves as a central intersection of communication. For example, it will be responsible for:

- Top and middle management leadership development programmes on Diversity Management;
- Diversity Team Building Events in each business unit;
- Large Group Events for the workforce to communicate Diversity Management;
- Change of Performance Management appraisals tools to foster Diversity Management and make it measurable;
- Change of HR tools for recruitment and retention of a diverse workforce, etc.⁷

II.3. Diversity Management promoting programs within organization

Actions to prevent discrimination within organizations:

a) at formal level:

- Including legal aspects of discrimination in the Internal Regulation;
- Establishing an internal procedure for dealing with discrimination;
- Adapting and developing the human resources policies having as a benchmark the employees' DIVERSITY (e.g.: evaluation criteria can be set according to certain aspects, such as: the acceptance of diversity and tolerance; the evaluation of employees' communication should assume the assessment of behaviours related to diversity promotion);
- Informing the employees of the antidiscrimination legislation and the procedures existing in the organization; appointment of some responsible persons of this aspect;
- Training human resources personnel in preventing discrimination; developing human resources specialists' skills (coaching, counselling, motivational interviewing). Having people specialized in preventing and solving cases of discrimination (e.g. sexual harassment);

⁷ International Society for Diversity Management – idem -Training Manual for Diversity Management, page 14-16

- Each incident based on discriminatory aspects needs to be treated seriously and professionally;
- During stage of integration of the new employees (Orientation Day – presenting the organization, the legislative aspect, internal procedures, how the organization protects the employee in cases of discrimination);
- Employee's Guide - which should include information on steps needed to be taken in case of discrimination, contact persons – “What do I do if...? Whom do I contact if...?”;
- Trainings for managers having as goals developing skills such as: empathy, acceptance of opinions, tolerance, flexibility, etc.; work-shops for awareness of the own preconceptions and stereotypes; how all these aspects influence the quality of work and communication; ethics trainings.

b) at informal level:

Creating a working environment that encourages diversity by:

- Organizing workshops on topics related to gender differences, sexual orientation, cultural diversity, etc. The organization managers may request the support of the non-governmental organizations that are representative in the field
- Organizing team-buildings exercises aiming to make the employees aware of diversity
- Exercises / role plays within the participants can experience the situation / the role of the employee belonging to a minority group
- For the employees of different cultural background – they can be invited, during the integration stage, to talk about their culture specific and traditions in an informal meeting (e.g. " new employees' day ");
- Workshops for managers on the topic of diversity;
- Organizing internal events (Theme days – e.g.: “Special Needs Persons’ Day”, “Diversity Day”, “I am different today” – in which the employees can receive information, leaflets, badges and they can be involved in role play or can be invited to talk about their culture)
- “Challenge” and involvement of the management in identifying ways to promote diversity management within the company.

III. Diversity in military organisation

In diversity issue, we could speak about two competing objectives: assimilation and inclusion. *Assimilation* implies unity and conformity; *inclusion* implies preserving identity and maintaining individual differences. While assimilation is important for unit cohesion, inclusion is an essential value for a diverse workforce.

This is why the boundaries between integration and inclusion are very difficult to be defined within the military institution, at least for militaries and less for civilians. The attributes and the benefits of diversity can have a reverse and negative effect on organizational performances. In the process the implementing diversity and inclusion the military leaders need very precise instruments of measuring and quantify the performances that ensure the fulfilment of the current tasks and can respond to future challenges. If inclusion is developed among the civilian leaders, trends of assimilation are developed within military structures. The attributes necessary to a position within a military institution are defined by skills required in a mission accomplishment, according in the same time a special importance to race, ethnicity and gender.

A definition of *diversity* without these historically significant attributes will not gain the credibility needed for successful implementation. Also management approach will be shifted toward creating an inclusive environment, with careful preservation of military institution unique values and norms.

In military institution strategies must be tightly linked to the established vision, mission, and goals. Diversity strategies can be grouped into two broad categories:

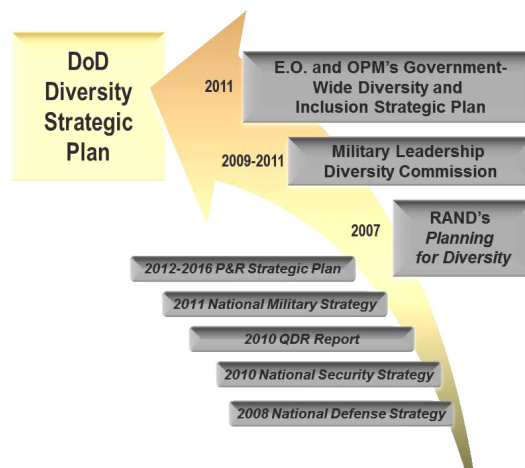


Fig. 3 Evolution of DoD diversity effort

- *process strategies* that are related to operational elements, including but not limited to accessions, development, career assignments, promotion, and retention
- *enabling strategies* that involve functions that are more far-reaching in nature, such as leadership engagement, accountability, and culture.

The most advanced state in the implementation of diversity is USA, which has developed a strategic plan with a timeframe of 2017.

To further the diversity effort, DoD previously commissioned the RAND Corporation to assess the current state of diversity within DoD, resulting in a report, *Planning for Diversity: Options and Recommendations for DoD Leaders* (RAND, November 2007), that provides a comprehensive assessment of diversity within DoD. The report outlined the following six key recommendations:

- Have the Secretary of Defence spearhead the strategic diversity effort;
- Create an oversight committee with top DoD leaders from a wide range of professional/functional and personal backgrounds;
- Adopt a vision that combines attention to traditionally protected groups with aims for creating an inclusive environment;
- Expand strategies beyond accessions;
- Invest in and develop rigorous metrics on all dimensions that support the strategic vision;
- Design and apply a comprehensive accountability system.⁸

CONCLUSIONS

Diversity is a very important feature of the world where we appeared as a species and where we live. Our world is very diverse, both at a social and economic level. There are still civilisations that have not passed the stage of hunters and harvesters and in the same time there are civilisations that were able to develop social and economic patterns that allowed great events, such as researching the space. Diversity gives us the way to the greatest discoveries in science as, in the same time, it gives us the possibility of preserving all ancient knowledge about the world we live in.

The social dimension of diversity facilitates the social integration, the harmonization of cultural differences, equal opportunities for all individuals as social entities. The economic dimension of diversity facilitates the usage of these differences as an advantage for a company or institution.

When referring to diversity, we try to define the equilibrium established in organization and society. The managers must determine the scales of diversity that

⁸ DoD Diversity and Inclusion Strategic Plan 2012-2017, page 14

can ensure the success of the organization, a better marketing, orientation of companies businesses (products and services) toward customers.

The managers must focus on the organization/institution objectives, using diversity as a major resource. This approach was embraced in '90s, when the managers were not concentrated in the recruitment process on the differences of the potential candidates: sex, religion, race and ethnicity. Recruiters and managers focused on the candidates' skills and abilities, entering in the so-called "war for talent"⁹. From that time diversity has become one of the major principles of the management strategies, both in private companies and in public institutions.

USA is among the first states that promoted diversity at both legislative and theories levels. There are many minorities living in the USA and we can illustrate the Spanish-speaking minority that numbers over 40 million persons. The American society has tried to maintain a balance between historical values and present needs, between assimilation and inclusion, between affirmative action and meritocracy.

In Europe the multinational companies are the diversity promoters and they have taken the first steps in defining strategies and instruments necessary to implement diversity strategies. The European legislation includes chapters on discrimination and this legislation has been adopted by most Union states.

In Romania it is difficult to identify a strategy on diversity given that the majority population, of Orthodox religion, exceeds 80% of inhabitants, the rest of 20% being divided among 15 national minorities. There have been taken important steps at antidiscrimination legislation level and we can say that nowadays the anti-discrimination practices work at an acceptable level. The diversity concept, used less in Romanian companies, is however present within multinational companies operating on the Romanian market. Such an example is Avon multinational company that managed to use skills of marketing and sales of people from totally different areas, with or without training in economics, but having the same goal – activating in a new area and earning money.

The military field (at both national and international levels) has adapted to this "war for talents". Even if in diversity field (at least the racial one) our army has experienced a setback in the recent years, due to the transition to a professional army, there have been made appreciable progresses in the field of diversity and equal opportunities. If twenty years ago there were very few women in the military, nowadays the women are well represented. Branches once reserved only for men

⁹ Michaels Ed, The war for Talent

have been nowadays accessible to women and we can list specialties like supersonic pilot and tank mechanic conductor. The positions occupied by women in the military hierarchy nowadays are higher and higher, including general positions. In promoting and ensuring the so-called „glass-ceiling”, there have been elaborated career guides that provide a transparent process of promotion and appointment on different positions.

Today our militaries participate to international missions all over the world. There our soldiers live, train and fight together with many nations. Some of them are close of our culture and traditions; others have a cultural base and a social structure that are different of ours. During all these years, the Romanian militaries have learned to respect other cultures, to build bridges between these and to appreciate and use things that unite us rather than those that separate us. The lessons learned during these years in operation theatres are both about the operating environment but also about interactions and relationships established between our militaries and the population of different areas.

If we try to state a final definition for “diversity”, we could say that diversity means respect for everything that is brought by any member of a social structure, regardless its geographical position or level of development, based on our ability of learning and using correctly the diversity benefits.

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**MOTIVATION – THEORIES AND PRACTICES
IN THE MILITARY**
CDR (N) Paul - Mugurel POLEANSCHI

CONTENTS

Introduction

- I. **Chapter 1 - Definitions**
- II. **Chapter 2 - Motivational Theories**
- III. **Chapter 3 - Motivational Types**
- IV. **Chapter 4 - Motivational Process**
- V. **Chapter 5 - Motivation - A Practical Approach**

Conclusions

References

MOTIVATION – THEORIES AND PRACTICES IN THE MILITARY

"Motivation is an external, temporary high that pushes you forward. Inspiration is a sustainable internal glow which pulls you forward." - Thomas J. Leonard¹

INTRODUCTION

Since begin of mankind, people were struggling to find water, food and shelter in order to survive. After experience was gained and lessons learned, they realized that team work produces better results than individual work, therefore they started become organized. As we could assume, one of the group members became the group leader, based on knowledge, experience and, most probably, own muscle power.

During evolution, leaders discovered ways and means to improve their team's work, with a positive direct result on their leadership style.

Among the first ways and means, brutality and punishment were used by leaders for many centuries, to make people work harder and with better results. In time, when society changed, leaders discovered that the better they treated their people the better the results were, so they transformed their autocratic style into a more people oriented leading style.

Moreover, they have started to study and implement ways and means to motivate team members, as their organizational happiness turned into even better results.

CHAPTER 1 DEFINITIONS

Motivation is a very important and complex factor, which has different definitions depending on the source, on the focus or the theory used.

Motivation is (1) the act or process of motivating, (2) the state of being motivated or (3) something that motivates; an inducement or incentive [1].

¹ **Thomas J. Leonard** founded, in 1992, Coach University, a leader in coach training with over 7,000 coaches operating in 38 countries.

Motivation is (1) the act or an instance of motivating, (2) desire to do; interest or drive, (3) incentive or inducement and (4) the process that arouses, sustains and regulates human and animal behavior (psychology) [2].

Motivation is determined by internal and external factors, that stimulate desire and energy in people, to be continually interested in and committed to a job, role, or subject, and to exert persistent effort in attaining a goal. Motivation results from the interactions among conscious and unconscious factors such as the (1) intensity of desire or need, (2) incentive or reward value of the goal, and (3) expectations of the individual and of his or her significant others [3].

Motivation is the reason for any action. It is a psychological characteristic that drives a human being into action. Motivation paves the way for the attainment of a goal [4].

It is easy to observe that classic dictionaries, as The American Heritage and Collins use less words for explanation, while website definitions – of which I have presented just as an example, use multifaceted definitions.

Besides its definitions, the complexity of motivation was proven during more than 100 years of intense research, in addition to its observable importance: motivational process, types of motivation and motivation theories.

CHAPTER 2 MOTIVATIONAL THEORIES

As human beings, we are social individuals and we interact in many ways with the people around us at home, public places or at work. Whatever we do, no matter if that action is intended to achieve a result for us or for others, it is driven by a personal interest.

As it could be noticed from the above definitions, although motivation has two main components – internal and external, it is own person related and, in other words, it **enables one** to do something, instead of imposing an outside obligation. Motivational process is typically related to the internal factors that help a person “feed” with energy, required to perform a desired action and it is specific to each individual.

In the recent human history, various motivation theories have been developed, to help managers understand the ways they could motivate subordinates and to show them the means available to do so. There is a turning point in the modern history that is associated with the motivational studies: the Industrial Revolution, at the beginning of the 18th Century.

Modern studies on motivation start with the revolutionary work of the Scottish entrepreneur Robert Owen² who, driven by his idealistic ideas, struggled to improve living conditions of the working class. During the early years of the nineteenth century, Owen's textile mill at New Lanark in Scotland was the scene of some novel ways of treating people.

During his lifetime, he endeavored to improve the health, education, well-being and rights of the working class. His ambition to create a better society took him from a small mill village in Lanarkshire, Scotland to America. Despite the criticism and opposition he encountered, his ideas influenced reformers and many of his views are still relevant today [5].

Another pioneer of motivational commitment was Jeremy Bentham³, an English philosopher whose work was carried out at the same time as Owen. He formulated the doctrine of utilitarianism, arguing that the 'greatest happiness of the greatest number is the only right and proper end of government'. He also supported the idea of equal opportunity in education and his ideas contributed to the foundation of University College London in 1826, the first institution in England to admit students of any race, class or religion and the first to welcome women on equal terms with men [6].

Bentham's view was that all people are self-interested and are motivated by the desire to avoid pain and find pleasure; any worker will work only if the reward is substantial enough, or the punishment sufficiently unpleasant. His theory is also known as the "carrot and stick theory" [7].

George Mayo⁴ was an Australian who became one of the best-known management theorists. He became professor of industrial research at the Harvard Business School in 1926. He conducted behavioral experiments at the Hawthorne Works of the American Western Electric Company in Chicago in the 1920's, in which he drew the conclusions people have more needs than just a good pay and that there is an important influence in work attitude not only by individuals, but the groups as well [7].

One of the most widely mentioned theories of motivation is the "Hierarchy of needs" theory put forth by psychologist Abraham Maslow⁵. Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest, and he

² Robert Owen was born on the 14th May 1771, in Newtown, a small market town in Wales.

³ Jeremy Bentham was born in London in 1748 and died in 1832.

⁴ George Mayo (1880 - 1949) , was born in Guildford, Australia

concluded that when one set of needs is satisfied, this kind of need ceases to be a motivator [7]; this view is considered one of the foundation stones of the Humanistic movement [8].

Another motivational theory was developed by Douglas McGregor⁶, in his book “The Human side of Enterprise”. The theory states that people can be managed in two ways: an authoritarian negative way called “X” and a positive participative one, called “Y”. His theory, known as “Theory X and Theory Y” has been criticized widely for generalization of work and human behavior [7].

Rensis Likert⁷ also developed a divided motivational theory, breaking down organizations into four management systems, with the appropriate motivational tools: primitive authoritarian, benevolent authoritarian, consultative and participative. In his studies, he emphasized the fact that participative system is the most desirable for companies whether they are profit or non-profit [7].

Frederick Herzberg⁸ is one of the most influential names in the business management. He is most famous for introducing job enrichment and the Motivator-Hygiene theory, in which he has tried to modify Maslow’s ideas; he stated that removing dissatisfying characteristics from a job does not necessarily make the job satisfying but their absence leads to lack of motivation [7].

Another attempt to modify Maslow’s theory was done by Clayton Alderfer in his so called “Existence – Relatedness – Growth” theory, which states that an individual has many needs at the same time; if the highest need is not satisfied, the desire to satisfy a lower need increases and; introduces the frustration – regression dimension [7].

Victor Vroom⁹ is a business school professor at the Yale School of Management. He developed one of the largest used motivational theories, known as the “Expectancy Theory”, in which he argues that a person will act as stronger as the outcome of his action will be. In other words, a person will perform better if he knows in advance that his action will be better rewarded for a better performance [7].

J Stacey Adams developed a similar theory, called “Equity Theory”, which says that if the reward received by an individual is not in accordance with its own

⁵ Maslow was born, on the first of April, 1908 and died on June 8th 1970

⁶ Douglas Murray McGregor was born in 1906 at Detroit and died on October 1964

⁷ Rensis Likert is an American organizational psychologist who lived between 1903 and 1981

⁸ Frederick Herzberg was an American psychologist (April 18, 1923 – January 19, 2000)

⁹ Victor H. Vroom was born in Montreal, Canada on August 9, 1932

subjective judgment, they either reduce the quality of quantity of their work, or they migrate to another organization [7].

Moving even forward, Porter¹⁰ and Lawer¹¹ developed a more comprehensive version, telling that actual performance in a job is determined by the effort spent, by person's ability to perform that task and by his perception of what the required task is. Thus, performance is the responsible factor that leads to intrinsic and extrinsic rewards and, if the reward is fair, leads to personal satisfaction [7].

Another interesting "Theory of needs" was developed by McClelland¹², which explains that there are three types of motivating needs: need for power, for people inclined towards influence and control; need for affiliation, required for more social people, and; need for achievement, driven by the desire for success and fear of failure [7].

CHAPTER 3 MOTIVATIONAL TYPES

For many centuries, the most used methods were fear, force and intimidation that had an instant but short-term result. On the long term, the methods were destructive and killing the willingness and, sometimes, even the persons.

Lately, as the education has become better and social environment improved, there were researched and scientifically adopted seven different types of motivation that should raise the motivational level of individuals, within an organization [9].

(1) Achievement Motivation

It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it. It is similar to 'Kaizen' approach of Japanese Management.

(2) Affiliation Motivation

It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favorable attitudes and co-operation.

¹⁰ Lyman W. Porter is Professor of Management in the Graduate School of Management at the University of California

¹¹ Edward E. Lawler III is Distinguished Professor of Business at the University of Southern California Marshall School of Business

¹² David C. McClelland (1917 – 1998) was an American psychological theorist

(3) Competence Motivation

It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience.

(4) Power Motivation

It is the drive to influence people and change situations. Power motivated people wish to create an impact on their organization and are willing to take risks to do so.

(5) Attitude Motivation

Attitude motivation is how people think and feel. It is their self confidence, their belief in them and their attitude to life. It is how they feel about the future and how they react to the past.

(6) Incentive Motivation

It is where a person or a team reaps a reward from an activity. It is “You do this and you get that”, attitude. It is the types of awards and prizes that drive people to work a little harder.

(7) Fear Motivation

Fear motivation coerces a person to act against will. It is instantaneous and gets the job done quickly. It is helpful in the short run.

CHAPTER 4 MOTIVATIONAL PROCESS

Getting oneself or another person motivated means to get through a process, in which theories and specific practical motivational tools are put together, to increase present level of motivation.

The process takes time and there are still debates, if a person could motivate another person, or a person could only help another person motivate herself [10]. Some believe that motivation is only between superiors and subordinates; mostly, this direct connection should help; on the other hand, friends and colleagues could motivate each other on personal and professional matters, as well as, in some cases, even subordinates motivate their superiors, if there is ego barrier between them.

To motivate, there are some steps to complete and some actions to take. Before anything else, you must assess the existing motivational level, to comprehend what your following actions should be, including for own person; for the subordinates,

this is a continuous process of evaluation through observation and through direct communication.

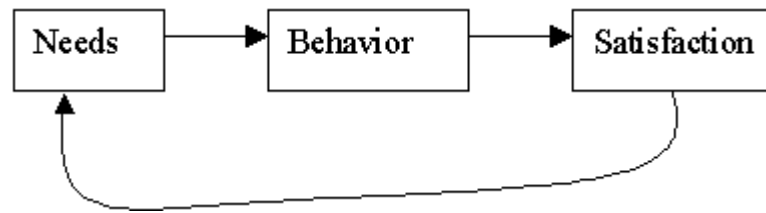


Figure 1 Motivational process

There is always a balance between internal and external motivation: one is stronger and help himself, while others feel more protected and more helped if people jump to support them. Internal and external motivations coexist for each individual, only the degree is different; if there is no external motivation, one might feel alone and abandoned.

On the other hand, it is very difficult to motivate someone, externally, if that person does not motivate himself. There was a case with a man in his 30's, who was left alone by his wife, due to drinking problems; he was never late at work and he never created any trouble because of drink, but he could not perform his tasks because he was physically unable to do so. He was under psychological evaluation and under constant observation of his colleagues, with the hope that he would quit drinking and return to a normal life. He was honestly telling his state of mind, his difficulties and, until a point, he was sending the message that he wants to quit drinking. He never did and he had his last chance to quit, that he failed; therefore, he was fired and he was going deeper into depression.

Own motivation should be the driving engine for the entire motivational process. It differs from person to person and it is a matter of education, personality and the determination to go forward; it is the will that should be watered at the roots, in order to evolve and carry out the next steps.

To turn the will from bud to flower, you must find the right minerals that would help the flourish process; in order to do so, we must be honest with ourselves and accept the difficulties, find the better sides and stick to them; to this, the only remaining option is to let the bud diminish till will vanish.

When motivating others, we must secure their confidence, to learn what their concerns are, what would help and how would help. Communication is vital in this person-to-person endeavor. Motivation cannot be done through messengers and must be a direct result of an honest discussion between the motivator and the one to

be motivated; without this, the time is wasted, the results might not be as expected or could even worsen the situation.

After the confidence is assured, empathy should take over the process; this is the emotional side of the process and not everybody is willing to “load and carry” others’ personal problems, or to spend their time for such a reason. In my personal opinion, without this step, there is little chance for great results to be achieved. One could say that motivation is not a session at the therapist and, therefore, no empathy or personal emotions are required in order to motivate a person. This is my personal view and my belief that this creates a bridge that could become a better incentive for many.

CHAPTER 5 MOTIVATION – A PRACTICAL APPROACH

In the midst of this complex motivational environment that consists of definitions, theories and practical guides to motivating people, you must deal with the person sitting in front of you.

He is real, he works for you and he expects frank answers to some very practical issues he has just addressed. He has difficulties at home, he is nervous, he cannot concentrate at work anymore and he has some issues with his cabin mate, related to the cleanness of their cabin. He is a very valuable member of your crew, influencing others and one of your individuals with a positive attitude.

Your time is limited; you are under pressure of some important and urgent activities you must deal with. If you leave now, you might not get the opportunity to talk to him again, even if you go later and ask him to come to your office; if you talk to him, you won’t have enough time to solve your problems; or, if you talk to him, you might not be able to help him and yet deepen his dissatisfaction, even if you are very willing to help him. The whole thinking process takes you just few seconds and you must decide now and act accordingly.

This is the way how motivation theories apply when you are in charge and you have people under your command. Of course, as you get older and become more experienced, you learn how to talk to your people and motivate them, individually or as a crew; even so, this is not an easy task.

Individuals are different in many aspects, when it comes to motivation: some need the wage, for which are willing to work hard and honestly; some need to feel they are in charge with others and command, and they will do their best to keep that

control; some need to feel an important member of your organization and they will contribute the best they can; some just want to be promoted ahead their classmates.

We could explore and use any of the available theories to classify a person's needs and find the proper way to motivate that person, making from this not only an easy but also an enjoyable job.

The problem is that there is not a perfect solution to motivate an individual; this is because in most cases, there is a complex environment that is present with that individual. He wants to be happy and with no stress, to earn a good salary, raised eventually on a regular basis, with a great workplace and as little work as possible and with as many courses attended as possible, preferably abroad.

Also, there must be a collective motivation, which is scaled on different rulers and applied specific to individuals and groups. Sometimes, a crew member is dissatisfied and unhappy simply because he is not recognized as a member of a group that exists onboard, which allows him to interact and socialize on a more appropriate manner to his needs.

There is no other tool to measure motivation, but the sociological tests. They present the motivational degree of individuals at the time of the test has been performed which help commanding officer to assess at some extent, motivation at ship's level. The most dangerous situation is when you leave the port with an unmotivated crew, unwilling to perform and with a high risk of personal aggressiveness that might even lead to a mutiny onboard. The problem could be that during a trip at sea, sailors might neglect some of their responsibilities and ask for incentives, knowing that each of them is important onboard.

Therefore, motivation must be a long term commitment, a basis for the mutual trust and willingly fulfillment of own responsibilities.

As in any military system, there are a number of incentives a commander could apply, as well as some disciplinary measures, in order to motivate people under their command. Incentives are mostly related to moral increasing, that not necessarily implies motivation. There are also regulations that deal with the dignity of military personnel, as well as with the relationships between them, which should prevent any inappropriate action that might create a less motivating environment.

Motivation is the engine that drives people to do either what they like, as well as what they are supposed to do. Using the existing incentives only helps commanders a little to motivate their people and does not provide a long lasting stimulus.

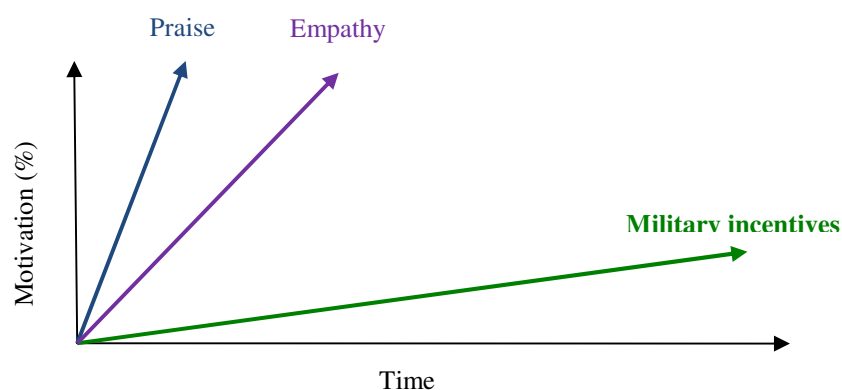
Individuals want to be observed, to be praised, to contribute and to be recognized, and to feel empathy from his superior. It is a part of their ego that needs to pop up, even if they are a modest personality. Most of the time, there is an interaction between subordinate's egos and the commander's one, in which one awaits recognition, while the other one knows it has the power to say "no", as well as to say "yes".

Therefore, for a commander to praise his subordinates who are worthy of that is just a matter of ego and will, that is not always used to increase motivation, even though there is just such a little personal effort. On the other hand, there is very difficult for a subordinate to understand why he is not praised by his direct superior, as long as he does everything with effort, knowing the fact that his commander needs just a little bit of will to do so.

To be empathic requires from the commander some more effort; he needs to know his subordinate, to make time and talk to him, to listen and to show that he understands his subordinate's difficulties.

Deserved praise and empathy add supplementary motivation almost instantly and create a stronger relationship; increases trust and make subordinates feel unbound to talk openly, both on personal and professional sides.

If presented on a scale, the tools available to a commander to motivate his subordinates would look like this:



As shown on the figure, incentives add motivation, with a small increment and over a long period of time, praise increases motivation on a short term basis and empathy creates a strong long lasting relationship with a substantial motivation increase.

CONCLUSIONS

There are many studies on motivation, that help a commander motivate his subordinates to do their job in best possible conditions.

An authoritarian management style and excessive use of negative tools for subordinates' motivation could have a short-term effect on their behavior and, probably the most important thing, could allow the commander to use the power available for him, to dominate, to feed his ego and to control everything.

Despite its complexity, in my opinion, within the military system all come to a matter of commander's will and desire to motivate his subordinates: to let his people know they are doing a great job, they are important and they are to be praised for their work.

On the other hand, there is an even stronger tool that needs more determination from the commander to use: empathy. Stay close to your subordinates, within the military rules and conduct, learn their difficulties, listen to them, make them feel above your daily problems that you must solve.

Thus, with little effort, a commander could build a very strong foundation, at interpersonal and professional level, that would make subordinates come with pleasure at work, despite the lacks of resources.

Above all, they truly are the most valuable resource a commander could get.

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COMMUNICATION ACROSS ORGANIZATIONS

LTC Carmen TEODORESCU

CONTENTS

Introduction

I. Organizational Communication Methods

I.1. Formal Communication

I.2. Informal Communication

II. Communication in military organizations

II.1. Formal Communication

II.1.1. Descending or downwards communication

II.1.2. Ascending or upwards communication

II.1.3 Horizontal Communication

II.2. Informal Communication

III. Barriers to Communication

Conclusions

References

COMMUNICATION ACROSS ORGANIZATIONS

INTRODUCTION

Communication is the vital flow which makes possible the performance of an organization. The quality and functionality of the organization depends on how the resources are used and goals are achieved. From these basic features of the organizational activity result the need to exchange of information between the manager and departments, between subordinates, between the organization and its socio-economic environment.

Communication in the organization is very important for the effectiveness of the entire management process. In organizational systems, “*managerial positions can be described as centers of communication*”¹. The manager receives a lot of messages from various sources, which information either he/she turns off, processes and uses it, or sends it to other sources, in its original or altered form. The degree at which every manager in particular is or is not a successful communicator depends on the way he/she is assuming this function as a receiver, as well as on the perspective each manager is taking in approaching the given information.

Among other organizational elements, relationships with managers and peers ensure to the newcomers enough support in integrating into the organization and significantly reduces the inherent initial stress. Managers need therefore to be open to newcomers, without neglecting to encourage the other subordinates to communicate and be open with their new colleagues.

I. ORGANIZATIONAL COMMUNICATION METHODS

Interpersonal communication sees numerous types according to criteria adopted for classification purposes:

1. by the transmitting direction:

- ❖ descending or downwards communication;
- ❖ ascending or upwards communication;
- ❖ horizontal communication.

2. by aim pursued:

- ❖ communication with character of order, disposal;
- ❖ communication with informative purpose;

¹ Justin Longenecker, *Principles of Management and Organizational Behavior*, (Merill, 1969), 491.

- ❖ communications with character of coordination;
- ❖ communications of control;
- ❖ communications of motivation;

3. by frequency of use:

- ❖ periodically(daily, weekly, monthly, etc);
- ❖ occasionally (in a certain situation);

4. by technique for transmitting the message:

- ❖ direct communication(face to face);
- ❖ indirect communication(made by phone, fax, e-mail, etc),

5. by used tools:

- ❖ verbal communication(oral and written);
- ❖ nonverbal communication;

6. by the type of the activity in which is involved:

- ❖ instructive communication;
- ❖ educational communication;
- ❖ communication in the work process;

7. by the type of the relationship between individuals involved in communication process:

- ❖ *formal communication;*
- ❖ *informal communication.*

I.1. Formal Communication

Organizational communication can be formal (made through channels imposed by organizational structure, the existing rules and functional relationships between individuals, groups, departments, in accordance with explicit rules and sometimes implicit ones) and is mainly related to common activities, and informal (the rules of communication are less strict).

At the **formal level** in organizations, two directions of communication can be distinguished, one that is descending or downwards and one other that is ascending or upwards. In addition, there is the horizontal communication between individuals of the same statute or statutes of the same hierarchical level.

Descending or downwards communication is the communication whose starting point (initiator) rests with the manager who is addressing his/her subordinates, namely from the upper echelons to the inferior ones. By this type of

communication the manager may exert specific functions (planning, coordination, organization, control, etc.). The manager can also communicate long and short term objectives, impart the desired mode of organization of activities, and transmit decisions taken and procedures that will enable these decisions to be put in practice, evaluations of activities and correctional procedures to be implemented if necessary. This direction of communication ensures the communication of objectives, indoctrination of employees with elements concerning missions and organizational values, as well as daily, monthly and quarterly tasks, feedback on activities, etc. An effective downward communication ensures not only the coordination and control of subordinates in the organization but also connects different hierarchical levels depending on existing needs.

Daniel Katz and Robert Louis Kahn are punctually distinguishing *five purposes to determine communication from superior to subordinate* (Katz and Kahn, 1978):

1. *to provide directions for specific tasks related to job responsibilities;*
2. *to provide information about organizational practices and procedures;*
3. *to provide information about the reasons for fulfilling certain tasks;*
4. *to provide information about their performance;*
5. *to ensure ideological information that facilitate the indoctrination with organizational goals”.*

The advantages of ascending or downward communication are summarized by Derek Torrington and Laura Hall (Torrington and Hall, 2008).

1. it allows decisions taken by managers to turn into facts through subordinates;
2. it ensures that the action is consistent and coordinated;
3. costs are reduced due to fewer mistakes;
4. it can stimulate a greater influence from employees, which is leading to better service offered to customers (Parsloe, 1999).
5. of all these, a greater efficiency and profitability can emerge.

The traditional – and old-fashioned – manager’s task was to simply communicate directions and procedures to the organization. The drawbacks of this mentality are stressed by Longenecker, who states that “*communication between manager and subordinate referring to the evaluation of performance and the spurring of motivations for accomplishing necessary tasks has been extremely neglected*”. In the situations where the subordinate has little information besides the mere order to accomplish certain tasks, he/she becomes a simple executor. This can be utterly

frustrating in certain instances, bearing a negative impact on the organization. Therefore, the emotional and motivational components in the assignment of tasks ought not to be neglected by the manager.

One extremely important aspect is the over-expectation on behalf of direct managers for the subordinates' initiative to engage communication. Sometimes, managers over-stress the role of their subordinates' self-appointment for discussion. Therefore, as much as possible, it is the managers who should initiate discussions, and not let them occur erratically, from the subordinates' initiative solely.

Ascending or upwards communication is the type of communication that starts from the subordinate (as initiator) towards the manager (the receiver); in other words, it goes hierarchically upwards. Thus, ascending communication ensures feedback from subordinates to managers. The effects of such communication are important, both in terms of productivity as well as in influencing the work climate. Without information from the subordinates, managers would not possess the data necessary for their work, and would also lack information on the way subordinates are accomplishing their tasks and are solving problems. The absence of this type of communication can cause really serious trouble that can not be solved efficiently enough. In order to avoid this unwanted situation, a manager ought to permanently maintain open channels of communication for their subordinates.

Horizontal communication occurs between people who occupy positions at the same hierarchical level, which have cooperative organizational relationships. Usually, this type of communication has the role to achieve coordination of activities between departments, especially if they are interdependent.

I.2. Informal Communication

Informal communication can be defined as the exchange of information that takes place outside of formal directions of communication. Informal communication generally takes place through spontaneously created channels. These channels appear and exist in an uncontrolled way, change constantly and operate at all levels. Informal communication offers a double advantage: on the one hand it has a beneficial value for the organization, contributing to smooth contacts between subordinates and, on the other hand, has a therapeutic role. Informal contacts are the type which provides the most effective link between subordinates of the same department or between different departments. This type of communication is associated with the best management policy that encourages initiative and

autonomy, expanding area of each actor playing in the organization. Promotion of informal communication reduces the risks of the labor conflicts.

II. COMMUNICATION IN MILITARY ORGANIZATIONS

To lead people means to know how to communicate with them which means that for any military personnel, especially for officers with leadership positions, communicative competence is one of the most important features of any military leader.

The military leader is no more just a simple specialist in a certain field of activity in which he is a professional with strong support of its preparation and a baggage of skills and abilities necessary to fulfil its functional attributions.

The leader exercises its duties through communication because by communication actually are exercised:

- ❖ control act in all its competences,
- ❖ the knowledge of reality and, on this basis, the prediction of its evolution,
- ❖ decision making,
- ❖ organization and planning for meeting the objectives set,
- ❖ motivating subordinates,
- ❖ coordinating activities after the onset of action,
- ❖ control and correction of deviations,
- ❖ the assessment work of subordinates.

Also through communication it is performed the relations with the upper and inferior echelons, and with those situated on the same hierarchical floor.

Military institution, carrying out its activities in accordance with national legislation, can be considered the organization in which **formal communication** is very often used.

II.1.1. Descending or downwards communication

Communication is carried downward from the upper echelons to lower echelons, in which leaders transmit orders to their subordinates.

Downwards communication allows:

- ❖ the transmission of orders, stipulations;
- ❖ the transmission of instructions for implementing different organizational strategies;
- ❖ assessment feedback and guidance that occur periodically following the controls of evaluation.

- ❖ the transmission of different messages about military organization values: patriotism, honor, dignity, loyalty to country, courage, spirit of sacrifice, comradeship.

An efficient downwards communication ensures, on the one hand, coordination and control at organizational level and, on the other hand, relationship between hierarchical echelons according to their necessities.

In downwards communication might occur some problems related to discrepancy between what leaders think they communicate and what subordinates believe about the orders they receive. While the leaders perceive their messages being positive, their subordinates tend to perceive them like indicators of dissatisfaction about their activities. This is the reason why it's mandatory positive elements to be raised equally with negative ones. Also in terms of military reform, leaders should give special attention not only downward communication feedback to ensure effectiveness, but also to involve subordinates in changing organizational process.

II.1.2. Ascending or upwards communication

Communication is carried upward from the lower echelons to upper echelons, in which the subordinates initiate the transmission of the message to their leaders. The main purpose of upward communication is providing feedback for following activities:

- ❖ elaboration of different types of reports and information transmission regarding activities carried out in terms of quantity and quality;
- ❖ performances in the training and education process;
- ❖ transmission of problems that have caused difficulties in fulfilling orders;
- ❖ transmission of proposals for improvement of operations at the level of subunit or unit;
- ❖ reporting complaints and existing conflicts among subordinates in order to solve them.

Leaders pay particular attention the last two activities. Monthly, in every military organization, commanders organize meetings without agendas on different categories of staff. On this occasion subordinates can express their problems and are encouraged to come up with best solutions.

Another factor affecting the upward communication is the perception of subordinates about their leader, especially when subordinates think the commander is unapproachable for issues unimportant for the activity of unit. This may result in

accumulation of problems can be very simple in essence and delays in resolving them according to standard operating procedures existing in each military unit.

II.1.3. Horizontal communication

Horizontal communication is carried out between members of the same subunits or different subunits located at the same hierarchical level. At this level horizontal communication aims to coordinate activities in order to solve common tasks.

We may also talk about horizontal communication between military institutions and other institutions of defense and military security, public and private institutions. In such cases orders are transmitted on improving collaboration between structures.

II.2. Informal communication

Informal communication exists outside of formal communication and it is given by psychological needs of people, frequency of contacts between them, necessity of spending more time together both in and outside their organization. The typical form of informal communication is grapevine. Grapevine role is to analyze the information missing and to clarify decisions taken by their commanders.

III. BARRIERS TO COMMUNICATION

All communication is subject to misunderstandings and may sometimes prove more difficult than it is perceived to be. This is why it is essential to understand and take into consideration some of ***the most important factors that affect communication across organizations***: the content of the communicative act, the distraction factors that divert the attention of the sender and the receiver, the opportunities for feedback, which are often limited, making it difficult to correct misunderstandings, etc. Here are some of the most important factors affecting communication and some solutions for overcoming them.

1. Information Overload

Too much or too little information is a bad way of communication because it reduces the ability of the audience to concentrate efficiently upon messages that are the most important. The subordinates who face an information overload try to cope with it by ignoring some parts of the messages, by delaying their responses to messages they consider unimportant, by giving an answer to only parts of the message, by giving an inaccurate response to certain messages, by giving less time for processing the message, or by reacting superficially to the message.

To overcome this barrier, the manager must realize that some information is not necessary, and make necessary information easily available. It is essential to give information meaning rather than just passing it on, and to set priorities for dealing with the information flow. The manager must understand that some information is redundant, unnecessary and try to leave it aside.

2. Message Complexity

When formulating messages, the manager communicates both as an individual and as representative of an organization. Thus he/she must adjust own his/her ideas and style so that they become acceptable both by the employer and by the employees. There are instances when the manager has to take decisions that he/she disagrees with personally. Nonetheless, the message must be communicated as such, regardless of the personal feelings, a task some communicators find difficult.

To overcome the barrier of complex messages, the manager must keep them clear and easy to understand. One good strategy would be to use a strong pattern in organizing the message, to guide employees by telling them what to expect, to use concrete and specific language, and to stick to the point. Feedback is also important at this stage so that the message could be adapted, clarified or modified accordingly.

3. Message Competition

Communicators are often faced with messages that compete for their subordinates' attention. Some messages have to compete with a variety of interruptions: the phone rings very often, other people intrude, meetings are called, and crises arise. In short, messages rarely have the benefit on the receivers' undivided attention.

To overcome competition barriers, the manager must avoid making demands on a receiver who doesn't have enough time to pay careful attention to the message. Written messages should be visually appealing and easily understandable, and delivered at the appropriate time, when the receivers have the time to read them. Oral messages are most effective when transmitted directly to the receiver.

4. Differing Status

Low-status employees may be overly cautious when sending messages to managers and may want to talk only about subjects they think the manager is interested in. Similarly, higher-status people may distort messages by refusing to discuss anything that would tend to undermine their authority in the organization. Moreover, belonging to a particular department or being responsible for a particular

task can narrow the point of view so that it differs from the values, attitudes, beliefs and expectations of the people who belong to other departments or who are responsible for other tasks.

To overcome status barriers, the manager and his employees must be well informed. Lower-status employees must be encouraged to keep their superiors informed by being fair-minded and respectful of their opinions. When one has information that he or she is afraid the boss might not like, one should be brave and convey it anyway. Status barriers can be overcome by a willingness to give and receive bad news.

5. Lack of Trust/building Trust

This is a difficult problem. Organization members do not always know whether the manager will respond in a supportive or responsible way, so trusting involves a certain amount of risk. Nevertheless, without trust, free and open communication is actually blocked, threatening the stability of the organization.

To overcome trust barriers, the manager must be at all times transparent, visible and accessible. He or she must not insulate behind assistants or secretaries. Key information must be shared with colleagues, employees, or subordinates and communication must take place in an honest manner, and employees should be included in decision making, which will definitely build on their trust in the manager and in the organization as a whole. In order to make communication successful, the managers must create an atmosphere of fairness and trust.

6. Inadequate Communication Structures

Organizational communication is affected by formal restrictions on who may communicate with whom and who is authorized to make decisions. Having few formal channels blocks effective communication. Strongly centralized organizations, especially those with a high degree of formalization, such as the military organization, reduce communication capacity, and they decrease the tendency to communicate horizontally, thus limiting the ability to coordinate activities and decisions. High organizations tend to provide too many vertical communication links, so messages become distorted as they cross through the different levels of the organization.

To overcome structural barriers, the manager must offer opportunities for communicating upward, downward, and horizontally (using such techniques as employee surveys, open-door policies, newsletters, memo, and task groups). It is essentially a good idea to try to reduce hierarchical levels, increase coordination between departments, and encourage two-way communication.

7. *Incorrect Choice of Medium*

If the manager chooses an inappropriate communication medium, the message can be distorted so that the intended meaning is blocked. The most appropriate medium should be selected by matching the choice with the nature of the message and of the group or the individual who will receive it. Face-to-face communication is the richest medium because it is personal, it provides immediate feedback, transmits information from both verbal and nonverbal cues, and conveys the emotion behind the message. Telephones and other interactive electronic media aren't as rich; although they allow immediate feedback, they don't provide visual nonverbal cues such as facial expressions, eye contact and body movements. Written media can be personalized through, letters, reports, addressed memos, but they do not obtain immediate feedback and the vocal and visual nonverbal cues contributing to the meaning of the message. The leanest media are generally impersonal written messages such as bulletins, fliers, and standard reports. In addition to lacking the ability to transmit nonverbal cues and to give feedback, they also eliminate any personal focus.

To overcome media barriers, the manager should choose the richest media for no routine, complex message. Rich media should be used to extend and humanize the manager's presence throughout the organization, to communicate caring and personal interest to employees, and to gain employee commitment to organizational goals. Leaner media is to be used when communicating simple, routine messages. Factual information such as statistics, figures and conclusions could be sent through a note, memo or written report.

8. *Closed Communication Climate*

Communication climate is influenced by management style, and a directive, authoritarian style blocks the free and open exchange of information that characterizes good communication.

To overcome climate barriers, the manager must spend more time listening than issuing orders.

9. *Physical Distractions*

Communication barriers are often physical: bad connections, poor acoustics, and illegible document copies. Although noise, for example, may seem trivial, it can completely block an otherwise effective message. Your receiver might be distracted by an uncomfortable chair, poor lighting, or some other irritating condition. In some cases, the barrier may be related to the receiver's health. Hearing or visual

impairment or even a headache can interfere with reception of a message. These annoyances don't generally block communication entirely, but they may reduce the receiver's concentration.

To overcome physical distractions, the manager must prepare well written documents which are comprehensive, clear and concise. When preparing oral presentations the manager must try to find a setting which permits audience to see and hear the speaker clearly.

CONCLUSIONS

Having regard to special role of interpersonal communication in all social groups, this issue shall be given greater attention, whether we talk about military or civilian environments. Communication culture is studied in high schools and universities.

High standards of productivity in all sectors of social life have imposed as staff with management functions, in which communication and the promotion of interpersonal relationships are optimal requirements, is imperative to attend courses in communication.

Military students attend communication classes and take part in practical and applicative activities.

Special attention is given to military personnel participation in various forms of training such as courses, seminars and other forms of training, because, by improving communication skills they may solve all problems that can occur at the level of each military structure.

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AN ASSESSMENT OF PROFESSIONAL PERFORMANCES OF HR MANAGEMENT - HIGHLIGHTS

LTC Robert-Eugen MIHAI

CONTENTS

Introduction

Chapter 1

1. The assessment process of human resources performances
2. The objectives of performances assessment
3. The phases of performances assessment
4. The sources of errors in the performances assessment

Chapter 2

1. Assessment methods. Classification
2. Instruments used in performances assessment

Conclusions

References

AN ASSESSMENT OF PROFESSIONAL PERFORMANCES OF HR MANAGEMENT - HIGHLIGHTS

Introduction

Human resource – the strong point in the success of the organization development

Our society has developed for the last two decades of XXI century with a tremendous speed and is still keeping this rhythm. The changes done in this short interval of time, especially in technology, have generated a different vision about life, in all its aspects.

At the beginning of capitalism, people were considered as „live tools” and workforce as a component of an enterprise, together with machinery, raw material, financial capital.

Nowadays, human resource is the most important resource of an organization, sometimes more precious than technology or financial capital itself, resource that has the capability to make the difference between the success of an organization or insolvency.

As some specialists say “in the new informational society, human capital replaces financial capital as strategic resource” (J. Pfeffer, E. Lawler).

The essence of every organization is human effort, and its efficiency and effectiveness are influenced in a significant way by the people’s behavior inside the organization.

Only managers that succeeded to raise the competence level of employees, to delegate correctly authority at all levels based on their skills and capacities and to mobilize people, only they had success and passed over the great challenges of some economic crisis or some other kind of impediments which are connected with the temporary negative economical context of the market. Most of them approached correctly three relevant factors of the correlation between human resource management (HR) and organization’s performance (factors identified by the American researcher J. Pfeffer), as follows:

- People work **more** in the organizations which have performance practices in humane resources.
- People work **better** because of these modern practices which contribute at the development of individual competences and stimulate performances.

- By providing more responsibilities to employees located at the bottom of the hierarchy, are reduced the levels of subordination and tense relations with the management, which help to reduce workforce costs.

Therefore, ensuring a favorable climate and a communication system capable to respond to the needs of employees, the stimulation of employee's creativity, the recognition of their skills and the initiative of propelling in key-positions intended to develop their abilities and values, add more value to the organization in all its aspects.

I. Chapter 1

I.1.The assessment process of human resources performances

The essential component in the management of human resources is the assessment of human resources performances.

Starting from the idea that every organization is interested that its employees must obtain good results in their work, we must recognize the important role of periodic assessment of employees concerning their professional performances. Also important is the assessment of candidates which are present at the selection in order to obtain a job and this assessment is done under the aspect of some psychic attributes and/or physical attributes which were determined as connected with performance in that job.

The appreciation of performances is the process of deciding in how well is performed an activity of work or of a job by the employees of an organization. This activity brings the necessary informational support based on which (in the management system) are established motivation policies generally, and remuneration policies particularly, training and professional development policies and improvement work policies by interventions in other essential activities as planning of staff, managing of jobs, recruitment of staff, selection and promotion of staff, communication.

According to some specialists, we can say: „ professional performance evaluation is assessing the degree to which the employee accomplishes his responsibilities in relation to the position held”¹.

¹ Mathias R., Nica P., Rusu C. – *Managementul resurselor umane*, Ed. Economica, Bucharest, 1997

Other authorized opinion (Robert Bosquet) defines the assessment of performances process as „a set of standardized procedures aiming to find information in a hierarchical management system about the professional behavior of organization's staff”.

This definition is explained by the emphasis of the next characteristics:

- The assessment procedures used correspond to the organization vision about the way in which it conceives to do business, to organize its activities and to guide its staff.
- The procedures are standardized, avoiding as much as possible negative effects caused by those who evaluate. Standardization can be ensured by training assessors, by using written documents and audio-visual and by elaboration and control of the procedures by a specialized department.
- In order to have correct appreciations, we shall use only reliable information.
- The system of obtaining information and effectuation of performance assessment is closely related to management hierarchy. The implementation of a performances assessment system involves a modification of mood, requiring a radical change of management culture. In this case, managers must act as consultants paying attention to training and staff development.
- An essential role in assessment it is professional behavior. The procedures used must be sufficiently reliable to avoid the distortion of results because of the influence of affective relations between assessors and assessed.

The definition above does not bring a specification about the frequency assessments, the nature of information and specific procedures to be used. Therefore, we pay attention to P. Lamaitre's opinion, which complete the concept of assessment with the next additional elements:

- ✓ Assessment – is a periodical written operation, it is repeated from time to time. Being in written form, it is way of commitment for both assessor and for the evaluated.
- ✓ It is a balance of the done work, assessment being made in relation to the objectives set by the hierarchical chief.
- ✓ Allows an assessment of the chances of future development.
- ✓ Involves discussions with staff; the assessment providing the opportunity to exchange opinions between assessor and that assessed, both of them being able to express themselves freely about the main points included in evaluation form.

In practice, the assessment process has a set of particularities determined by specific conditions in which it is performed, by the goals pursued and the methods used (fig. 1).

As it is emphasized above, the assessment of human resources or of their performances requires some distinct activities:

- The assessment of the potential and the capacity of development of a person (employee or potential employee)
- The assessment of behavior
- The assessment of performances

The assessment of the potential and the capacity of development of a person is done based on personal traits and characteristics of the person, and also based on some information about what is the person, less about behavior at work and the activity in the held position.

Although we have some references about the past achievements and some appreciations, the assessments is focused on future. This fact can generate some difficulties because of the uncertainty of the future which can conduct to reconsiderations of assessments.

This assessment is more difficult because it requires the appreciation of future performances of the employees.

The issue that appears is that if the level and the type of performances of each department of the organization are proper and sufficient, considering the planned changes. The assessment of the employee's potential is meant to emphasize if the persons have targeted maximum performance, and in case of any negative results, is meant to allow the identification of the developing ways according to organization's needs.

An efficient assessment system should respond to the next questions:

- What should a person do?
- How we define the success that person should have in the held position?
- What information/facts do we know about this person on which we may predict the future job success?
- How do we measure the obtained indicators?

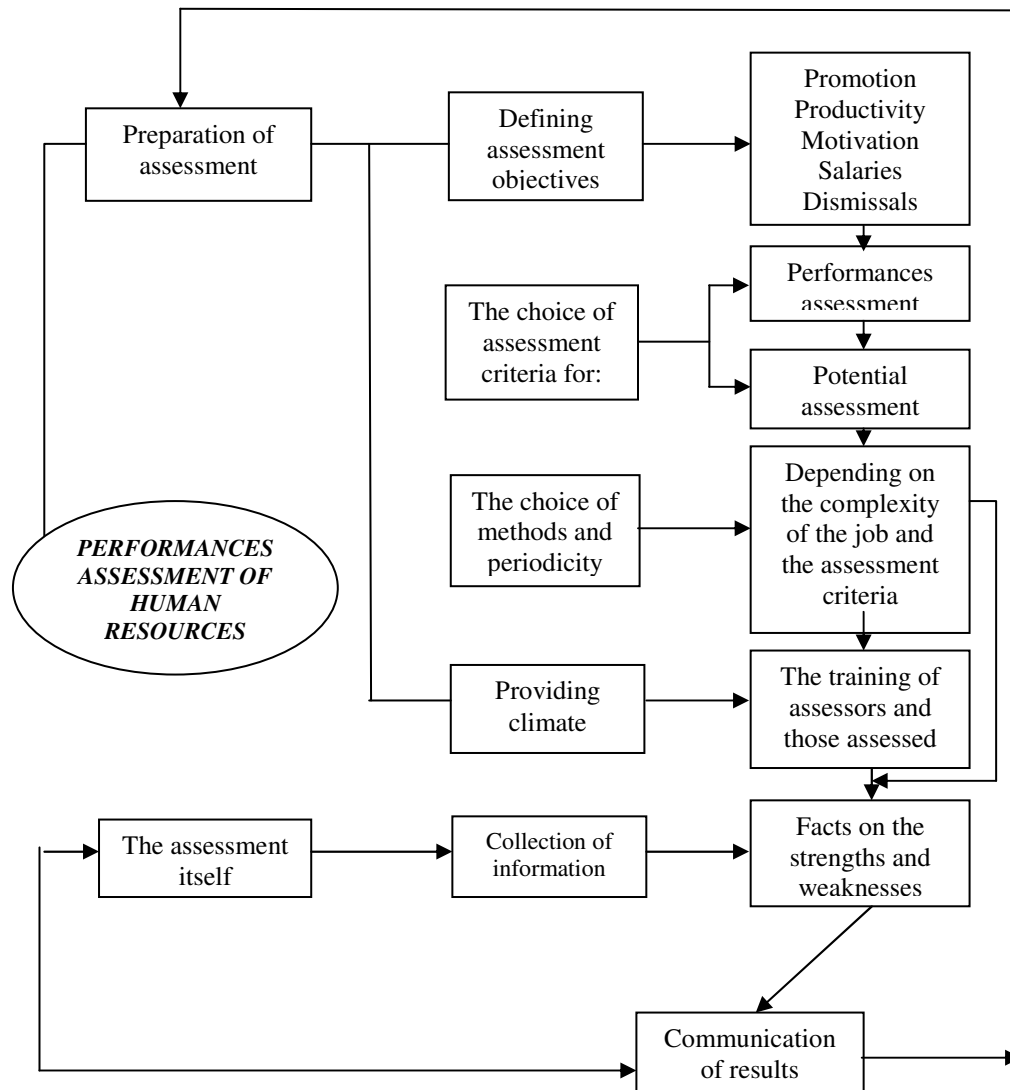


Figure 1. Performances assessment system (Mathias R., Nica P., Rusu C. – *Managementul resurselor umane*, Ed. Economica, Bucharest, 1997)

The assessment of behavior is focused on behavioral manifestations which are connected or fit with performances characteristics. This assessment emphasizes staff conduct and the degree to which an employee is integrated in the specific of a job.

The assessment of performances is focused on the evaluation of results differently expressed depending on the jobs specific.

As we can see, the first two assessment activities have a great importance in the selection of employees and in orientation and career development, and the third of all is targeted on performances and results, reflecting the quality of previous activities.

The assessment – as a process – can be useful in every organization and also individuals with one condition: it must be correctly applied.

The accuracy of assessments depends on the used methods quality, which involves:

- ✓ The validity of results
- ✓ The fidelity of determinations – the ability to provide identical results to a repeated application
- ✓ The equivalence of results – independent assessors reach the same result
- ✓ Internal homogeneity – several components of the same instrument measuring the same item, indicate the same result
- ✓ The sensibility of the used instruments – the ability to measure the real difference between subjects

Factors which can influence the assessment performances:

- ✓ History and culture of the organization (assessment depends on the history of the organization and its values system)
- ✓ Organization size and scope – condition directly the assessment process
- ✓ Strategic guidelines – determine the selection of performance criteria, which are according to the organization mission, objectives and strategies
- ✓ Practices used in recruitment, remuneration and staff promotion – the assessment loses its purpose, if the level of the employee is determined by other kind of factors, excluding performances; so the assessment is formal.

1.2.The objectives of performances assessment

Performances assessment is the way to identify the potential, the weaknesses and the training needs of the staff.

For assessment we need to determine criteria and performance standards.

The choice of these criteria means first of all the identification and analysis of the most important personality characteristics, responsibilities and types of specific activities for the job.

Criteria are compared with standards which represent the desired level of performances.

Performances assessment can be executed directly by the managers, by the subordinates, by the employees in situated in similar positions or by external experts.

If in past performances assessment was based on intuition as an administrative activity (even formal), having improvised methodology, today the assessment is realized using a set of methods as classification on categories, comparative models, personality tests, descriptive methods or other special methods.

We can say that the major objective of the assessment is making decisions.

Thus, periodical appreciations of performances serve the organization in making decision about the employee that could be promoted or the employee that could be removed.

The appreciations are not the only instrument in deciding for an organization, promotion decisions depends also on the prediction of future performances, considering previous ones.

Performances assessment is used in three main areas:

- The management of salaries – performances assessment system is directly connected with the employee's rewarding for the performed work and the obtained results.
- The feedback of performances – assessment is a primary source of information for employees and leader concerning the duties which they perform better or worse. On this basis, we can identify the parts which require training or professional development. It is also a way to inform employees about their professional progress and indicates what knowledge and skills must be developed for a eventual promotion.
- Some administrative decisions – referring to issues such as: the maintenance of the job, promotion, transfer to other positions/functions, dismissal or other similar situations.

Performances assessment is justified and has several implications, both personal and production related, and is not an activity which is done just because of the desire of the leader or because of some regulations. On the contrary, performances assessment is a very important component because it has a positive influence for the organization, provides information about the employees and their manner to relate to the organizational objectives, establishes the competence level of the organization in relation to similar and different organizations.

We can say that the assess of human potential means knowing with scientific means every person and appreciating impartially his competences.

The correct impartiality of staff assessment has positive consequences in increasing work's efficiency and also in decisions with administrative character: salary raises, bonuses, promotions, transfers.

From the perspective of employees, knowledge of professional performances and own potential represents a real understanding of the way they accomplish their work duties, their yield, their expectations from the organization and how they respond to organizational requirements.

The possibility of knowing by the employees of their professional value offers them self-confidence and creates the possibility of self-analysis and in the same time is a psychological, mobilizing and motivational factor for production, generating positive attitude towards work.

As Abraham Maslow's needs pyramid (fig. 2), the leader of the organization must analyze the hierarchy of human needs (employee's needs - which are increasing gradually as we see) and must involve systematically in this transformation, having common interest.

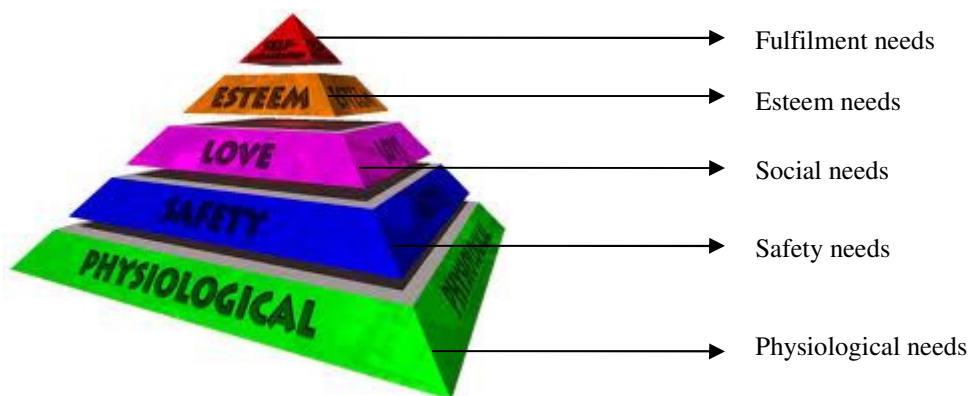


Fig. 2 Abraham Maslow's needs pyramid

However, the impact of performances assessment may be negative.

When ratings are communicate for the purpose of disciplinary, for the increasing of the salary or for promotions, these ratings may be regarded with fear by those who underestimate their qualities, those who have a low productivity or those who consider the appreciation as arbitrary and unfair. The generated feeling is uncertainty, especially for those who do not entirely understand or do not know the criteria of their appreciation.

Evaluation system is the direct connection between the reward which an employee hopes to get and his achieved productivity, as natural way is: **productivity**

– **performances assessment – reward.** If one of these elements is missing or is not well-defined, then employees won't get the rewards.

Therefore, the essential role of manager is to ensure a correct evaluation of all employees, comparing different levels of performance.

On the other side, the employees must be informed about their registered progresses and the abilities that must be assimilated by them in order to obtain rewards, promotions and even the maintenance of the job.

Summarizing, and according to specialized literature and management practices, the most important objectives of performances assessment are:

- The proper development of some activities in human resources, such as: recruitment, promotions, transfers, downgrades, dismissals; information concerning performances assessment ensure the elaboration of rational management decisions concerning those activities and avoid its accidental and subjectively developing; performances assessment allows the achievement of a concordance between individual performances and organizational objectives.
- The equitable rewarding of the staff – a correct assessment of performances allows that rewarding to be seen as equitable and inherent, so the assessment result represents the recognition of the efforts.
- The identification of individual training and development needs and the evaluation of training and development programs.
- Provide informational support to the staff for their own development and self-confidence.
- The discussions about long-term plans of the staff and their career objectives.
- The integration of human resources planning with other activities of the staff, bringing information about inventories of skills and establishing the necessary basis for an integrated human resources system.
- The validation of selection programs – because the assessment programs ensure data concerning the quality of selection systems.
- The increasing of employee's motivation, the assessment programs having a motivational effect, generating positive behavior, encouraging self-initiative, the sense of responsibility and effort in order to get individual performance.
- The improvement of manager - subordinate relation, encouraging the managers to observe the behavior of the subordinates in order to guide them.

- The improvement of communication and the intensification of cooperation between the managers or superiors and subordinates, because the performances assessment is the base of interaction of the mentioned parties, that get to know each other better and better.
- The applying of the principle of equal opportunities – in many decisions and steps in the performances assessment process there is the tendency to partiality or a improper evaluation.

I.3.The phases of performances assessment

The design of performances assessment system brings up several structural problems of control and scientific foundation, so that these should reflect reality in an impartial manner.

The registered progresses in assessment systems brought o change of vision for the organization, for the assessors and the assessed.

The main change is that assessments represent in the present for organizations a measure of the staff quality and also of organization itself.

For assessors, the staff's appreciations represent a way to communicate with the last, in order to optimize individual performances and team performances.

For the assessed, the appreciations represent a way to self-knowledge and to a way to highlight individual particularities that require certain corrections.

The information about professional performances represent a potential source which can affect both the motivation of staff and the professional satisfaction.

The informational system established on professional performances assessment has consequences on quality and quantity of work and productivity.

The main phases in the assessment process are:

- The definition of performances assessment objectives
- The establishment of performances assessment policies, the establishment of the assessment moments, its periodicity and the responsibilities for this process.
- The preparation and dissemination with attention of the values system and assessment procedures.
- The establishments of all the aspects which must be assess: the obtained results, the behavior of the employees and their potential.

- The proper determination of assessment criteria, specific elements and attributes which define performances.
- The establishment of the performance standards and the desired and expected level of increasing.
- The choice of evaluation methods, considering its advantages and disadvantages.
- The assessment itself.
- The synthesis and the analysis of information obtained.
- The establishment of the communication ways of the obtained results to prevent some complaints caused by adversity reactions or the contesting of some results and decisions, and also to avoid possible resentments or even conflicts which can affect the behavior of the staff.
- The identification of the ways for the improvement of performances and the future behavior in work.
- The counseling and the support for the employees with poor or bad performances in order to improve their activity.

There is a set of particularities in the assessment process according to the concrete conditions of development.

These concerns for the improving of the assessment procedures generated the elaboration of some control lists for the development of assessment process, which can contain the next components:

- The review of the jobs in order to establish the characteristics and the standards for the assessment process
- The integration of these established characteristics in the assessment system
- The transmission of the assessment standards to the managers, assessors and the assessed persons
- The use of individual dimensions of performance, which are clearly defined in relation with those which are not defined or relating with the global measures of performances
- If these performance characteristics cannot be defined in relation with some observable behaviors, when we use graphic scales for assessment there must be avoided abstract denominations for the respective characteristics
- The proper training of assessors or managers in order to use correctly the assessment methods and techniques and standards

- A substantial and daily contact between assessors, managers and the assessed employees
- Although the assessments must be led independently as possible, it is recommended that the assessment to be led by more managers or assessors
- The use of any form of advice or guidance for the employees in order to improve performance

These periodical actions of quality assessment determine the employee to realize the importance of his activity in the organization, and the feedback obtained is a way to motivate him to progress for covering all the professional gaps. The same approaches offer to the manager a „radiography” of general level performance of employees.

Frequently, at the end of a person evaluation it is organized an assessment interview, when the manager or a superior communicates to the employee the result of evaluation and it is done an actions plan. Thus:

- If the performance is satisfying and there is possible a promotion, they draft a development plan in terms of educational and professional in order to obtain the new job/position
- If the performance is satisfying but there is not possible a promotion, they draft a maintenance performances plan, including: additional free time, a bigger salary, increasing authority of the person towards team.
- If the performance is unsatisfying, but can be corrected they draft a remediation plan for the deficiencies.

In most cases (and legitimately) is considered that the best predictor of future performances are the past performances.

The issue here is that in many cases, the employees that prove some excellent performances in a position, in other position or job disappoint. We speak about the famous „Peter’s principle”, which say that individuals are tended to advance towards their own incompetence level.

If an individual is promoted based on past performances without examining the necessary qualities for the new job/position, then there is the probability for him to fail spectacularly in the new position.

When the assessment is done is important that results to be communicated to all interested parties. The results must be discussed with the employees, so that the employees to have a clear image of the way they are seen by superiors.

For individual, the performances assessment has also an emotional component or a psychological one, because in the process of assessment the individual must be in relation with himself and with all the other members that works in the organization.

In the same time, this emotional charge of the assessment process can affect significantly employee's behavior towards the others and himself.

I.4.The sources of errors in the performances assessment

The performances assessment process, although necessary, is not easy, nor undisputed. In order to a correct applying of the results, this activity must be according to a new advanced evaluation technology, with the help of logic and good sense for the establishment of criteria, standards and the methods used.

Because of its complexity, in the assessment process can appear several errors. From all these, we mention:

- Problems caused by the variation of the standards – there must be avoid the use of different standards for employees with similar positions
- The problem of recent results – appears when recent results have a bigger weight than past results
- The inclination of assessor – when values, beliefs or prejudices of the assessor distort the evaluation. Age, religion, work seniority, sex or other arbitrary classifications can be reflected in appreciation, if the assessment process is not properly designed.
- The differences between assessors – there are a a lot of differences of performances assessment from assessor to assessor
- Indulgence errors – is the result of the tendency of superiors not to give poor appreciations. Those who evaluate think that is difficult to give negative appreciations.
- The halo effect – appears when an employee is appreciated by his personal characteristics, not according to the job's traits.
- The central tendency's effect – when is a great number of employees, the assessors have the tendency to align more persons in the middle area, with medium results, decreasing that extreme categories with poor or very good results.

- The unique criterion's effect – when the assessment is achieved with a single, unique criterion, the employees are tempted to focus only on that criterion and forget other criteria.
- Contrast effect – is a result of the comparison of the employees and is not according to the requirements of the job or the requirements of the established performance standards. Thus, individual with fewer performances in a good team will be seen well in a weaker team.
- The succession's effect – the performances assessment of an individual can be influenced by the relative performance of the precedent individual.

Causes of overestimation of performances:

- The tendency of managers to avoid presenting of some negative aspects of assessment which can affect the image of organization.
- The desire of managers to conquer the employees, offering generosity.
- The concern on preventing registered poor performances of an employee, which may become a part of the future unfavorable appreciation.
- The incapacity of assessors to make differentiated assessments and to observe the distinctions between employees concerning performances, because of their limited knowledge.
- The desire to reward employees who demonstrate an improvement of performances, although it is not still important.
- The fear that those who obtained lower ratings or bad ratings would highlight incompetence and unfairness for the managers and assessors.
- The fear of reprisals.
- The pacifist tendency of assessor to avoid some unpleasant discussions with the employees, which ultimately manifests with an artificial improvement of the assessment results.
- The concern of the managers to protect some employees with lower results because of their personal problems (diseases, deaths).
- The lack of interest for the performance of the subordinates.

Causes of underestimate of performances:

- The concern of the managers to keep the employees closer to reality and to warn them with the necessity of accomplishing duties.
- The desire of managers to show authority or to „demonstrate” their power.
- The intention of the managers to be „well seen” by their superiors.

- The fear of the managers that some employees with excellent results may affect their authority.
- The elaboration of some written documents concerning lower results of an employee, so that the employee may be fired.
- Excessive critical spirit.
- The tendency of the managers that are very exigent themselves to apply the same value system with the others.
- Wrong perception of the exigency notion.
- The desire to communicate a message for an employee in order that the last one to leave the organization.

The sources of errors of the assessment process must be treated as problems which can be solved, not as insurmountable obstacles.

In theory and in human resources practice there are a lot of ways of action which can conduct to the prevention and dimming of the problems generated by errors, such as:

- The use of multiple criteria
- The avoidance of abstractization of the characteristics
- The use of a great number of assessors
- Practicing selective assessments
- The training of assessor

We can say, concluding, that the performances assessment systems represent an intrinsic and very important part of human resources management system.

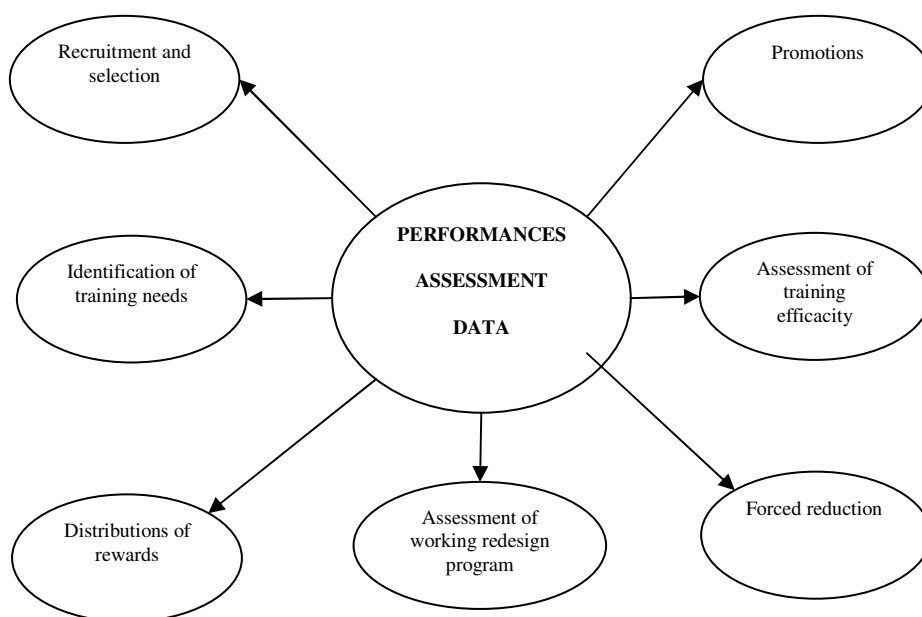


Figure 3. From the perspective of systemic vision, after J.T. Austin and P. Villanova
“performances assessment”

II. Methods and techniques for performances assessment

II.1.Assessment methods, classification

Because of the staff's assessment need, as an organizational development process, there has been established several evaluation methods and techniques.

Therefore, the diversity of methods, techniques, procedures or evaluation systems is quite large and there is a tendency of increasing.

There is several criteria for the performances assessment and they are different from a job to another.

About the methods we can affirm the same thing, they are different, but they target generally three important aspects: the quality of work, personal data and periodical appreciations.

Specialized literature offers many examples of methods for assessment.

Methods can be classified as²:

- Objective data – there are measures of the work result considering quality and quantity
- Data concerning employee's behavior
- Performances appreciation made by persons who know the employee

Other classification divides two categories of assessment methods: objective and subjective methods.

Objective methods disregard attitudes, opinions or any subjective aspect relating the assessed employee. From this category we mention: knowledge tests, professional competence tests, which are standardized tests, and other category of objective methods is represented by objective tests which are relating to the results, in the sense of final product of the staff's work for a determined period.

Subjective methods are based on appreciations, opinions of significant persons and generally they consist in the completion of some standard assessment sheets by the superiors.

In an assessment process, first of all they define the purpose. According to this, the assessment will be achieved with different methods (figure 4)

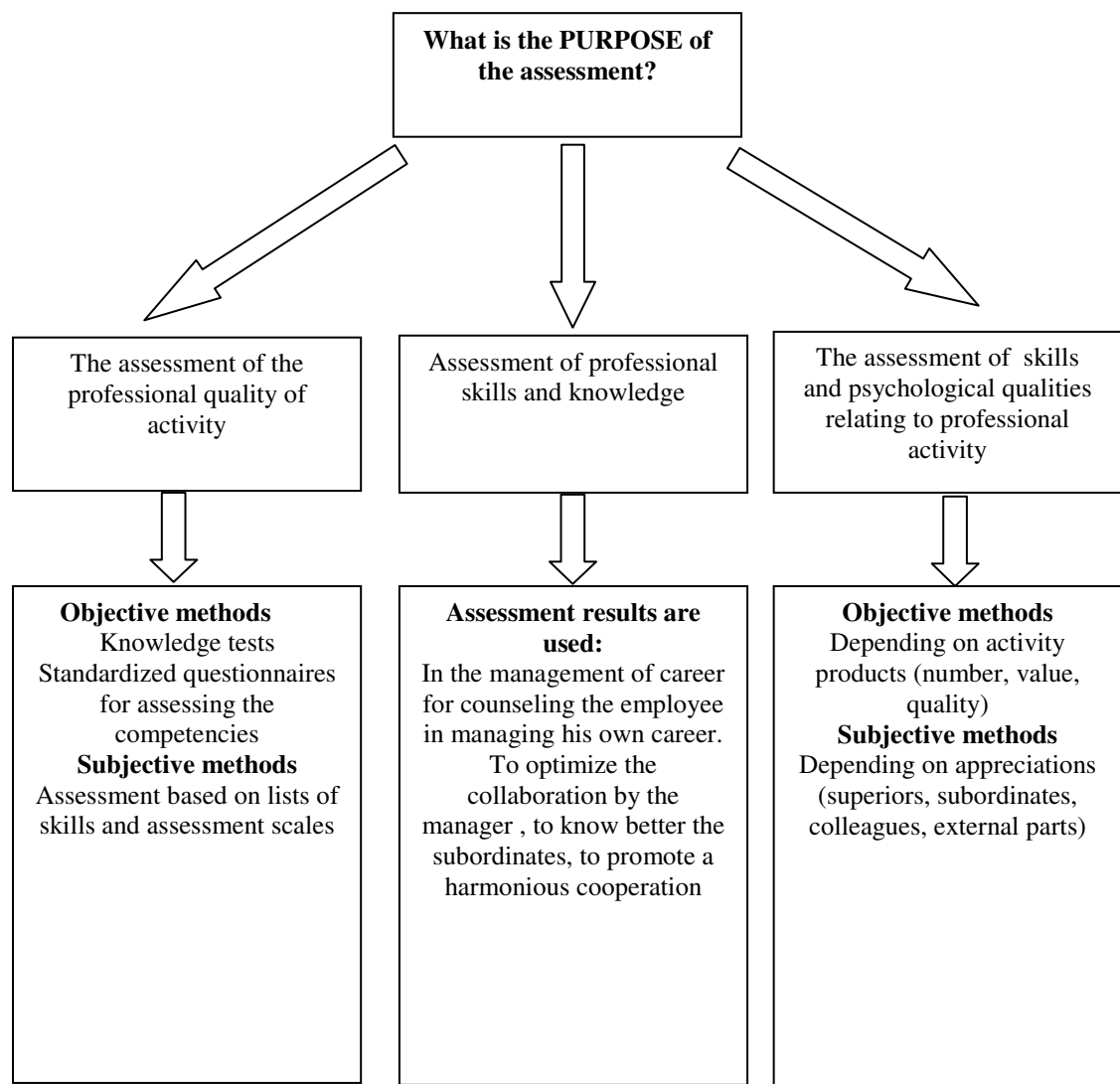


Fig. 4 (Constantin T., Stoica C – *Managementul Resurselor Umane*, Ed. Institutul European, Iasi, 2002).

In the second phase, there are established criteria, according to the assessment purpose.

These must be precisely formulated, easy to quantify, applicable to all employees who are assessed, expressed in unequivocal terms and must target the essential aspects of activity.

In the third phase, there are established the assessment methods and techniques and in order to ensure a proper and correct assessment there are made the instruction of those who make the assessment and the communication to the assessed staff of the assessment strategy, criteria and all the necessary aspects relating to this process.

The fourth phase is applying assessment procedures that are collection of information.

² After Pitariu, Saal, Knight (Albu, Monica, *Metode si instrumente de evaluare in psihologie*)

Further we have data analysis, results communication and the plans for performances improving.

Another classification divides the assessment process in two phases: the collection of information and data processing.

The methods used in the first phase can be classified according to the role of the assessed person in obtaining information, such as:

- Methods in which data is not directly provided by the assessed (for example: the analyze of work products, interviews with persons who know the assessed employee)
- Methods that use data provided by the assessed employee:
 - Information is communicated (verbal, non-verbal) by the assessed; such methods are: observing the assessed, the administration of questionnaires to the assessed, the conversation and the interview with the assessed).
 - Information is registered by the assessed using: tests, self-administered questionnaires, self-administered check lists.
 - Information is represented by some values of physiological parameters using various devices.

Methods for processing collected data in order to formulate the descriptions can be classified on many criteria. Thus:

- After the number of the persons simultaneously assessed: methods which assess plenty of persons and methods which assess a single person.
- After the instruments used: methods which do not use instruments for the formulation of the descriptions and methods which use instruments for guiding the assessor to achieve descriptions.

According to the components of assessor's group, there are the next classifications:

- For the methods which serve the simultaneously assessment of a group: methods in which the assessed is also assessor for all persons in the group and methods in which all the persons in the group are assessed by an external person.
- For the methods which serve the assessment of one single person at a time: the assessment of that person by another person and self-assessment.

According to other specialists³, the central element of assessment is the recall of events and observations.

He proposes the next classification:

- Assessment scales (graphic scales, assessment scales in multiple steps, standardized scales, scales of points)
- Comparison systems of person (hierarchical system based on merit order, comparison systems of pairs, the system of forced distribution, comparison systems of groups)
- Prescaled lists (the method of intervals apparently equal, summative assessment method)
- Behavioral descriptions (assessment scales with behavioral anchors, assessment scales which are standard mixed, behavior observation scales, summary behavioral scales)
- Other types of scales and assessment techniques (the assessment of forced choice, the technique of critical incidents, lists of responsibilities, binary notation, Zapan method for objective appreciation of personality, „feedback 360°“ technique).

Each of the mentioned methods is based on different assessment procedures, with self advantages and disadvantages, serving for an objective or other.

Assessment scales - the duty of assessor is to evaluate the degree to which a person possesses a certain quality.

Graphic scales – awarding ratings according to external standards; labeling.

Assessment scales in multiple steps – the elaboration of some lists of aspects detailed on degrees.

Standardized scales – use standard items, persons used as example and for comparison.

Scales of points – is based on a list of attributes and the assessor marks the ones defining for the assessed.

Comparison systems of persons are for the groups which are compared, resulting a hierarchy in which the best gets the first rang, the next the second rang and so on.

Hierarchical system based on merit order – consists in writing the names of the assessed on a piece of paper, then the assessor makes a hierarchy based on a criteria.

³ Pitariu H. – *Managementul resurselor umane*, Ed. All Beck, Bucharest

Comparison systems of pairs – is the comparison of an individual with all the members of the group.

The system of forced distribution – is used when the number of the persons is very big and is not claimed the achievement of a finer discrimination.

Comparison systems of groups – is the identification of some „key-individuals” from every group, they are assessed and then used as reference for the others.

Prescaled lists – consist in lists of descriptive behaviors and from these are selected those which are characteristic for the assessed person.

The method of intervals apparently equal – is a list consisting in a set of behaviors or activity results presented in a form of affirmative sentences which is presumed that represents properly the assessed. The assessor selects these sentences relating them to the assessed.

Summative assessment method – it is obtained a rating by summing the categories of answers chosen by the assessor.

Behavioral descriptions

Assessment scales with behavioral anchors – the assessor notes the „expected” behavior, systematically proved.

Assessment scales which are standard mixed - lists of behavioral descriptions specific for a profession. The assessor must note if the assessed person is superior, inferior or identical relating the example.

Behavior observation scales – use sets of specific behavioral requirements for a job/position. The assessor must estimate the frequency of these manifestations at the assessed.

Other assessment methods

The assessment of forced choice – consists in the requirement of the assessor to select from a group of traits or affirmative sentences of a specific number fixed in advance.

The technique of critical incidents – consists in the collection of significant events which have led to the establishment of some solving strategies.

Lists of responsibilities – a group of requirements specific to a job/position and the assessed person is compared with every requirement.

Binary notation – is a system of appreciation based on a scale of five points, the assessor marks the best and the worst.

Zapan method – consists in the appreciation of everyone, from the best of the group till the worst.

„Feedback 360°” technique – the person is assessed by superiors, colleagues, subordinates and a self-assessment.

Every method mentioned above has advantages and disadvantages, we can hardly say which of them the best is, but we can sustain that if we use correctly the principles of assessment and we have the proper approach concerning the needs of the organization, we definitely find in each of a small advantage at a moment.

II.2.Instruments used in performances assessment

A great number of the assessment methods use instruments.

We can define them as modalities for data collection, as a binder between researcher and his studied reality.

An assessment instrument has as principles attributes the fidelity and the validity, both having an important value in the results of assessment.

As a brief description of them, we can say that fidelity indicates if the assessment instrument make solid measures, and validity indicates how good is this measuring, especially that the instruments are standardized.

The main instruments used in assessment are: questionnaire, psychological tests, knowledge tests, interview, and observation.

The questionnaire

Is a set of written questions or images, chosen and arranged in a manner in order to obtain information about an established theme.

The questionnaire is administered by qualified persons or self-administered. Some of the questionnaires are used as psychological tests; others serve as tools in surveys in order to collect information.

The questionnaires consist in questions, statements to which the questioned person must agree or disagree, and some sentences which must be filled with one or several words.

The questionnaires may be oral or written and may be applied to an individual or group.

Psychological tests

The psychological assessment must define the person concerning his personality traits, intellectual capacities, special skills, health problems, learning difficulties and certain emotional and social variables.

For this assessment are used certain techniques, such as: the body language, the observation of behavior, the psychological tests, the anamnesis, and the spontaneity and performances analysis.

Psychological tests are used for establishing a psychological diagnosis through behavior assessment, mental abilities and other personality characteristics in order to make predictions about the staff future development.

These tests are working as samples of behavior which have an important value in top management decisions.

Psychological tests can be classified in the next categories:

- Efficiency tests (aptitude tests, intelligence tests, knowledge tests, work tests, situational tests)
- Personality tests (personality questionnaires, projective tests, objective tests of personality)

Knowledge tests – consist in a set of tests or questions which demonstrate the level of knowledge assimilation.

The interview – is an information exchange between the interviewer and the assessed person. During the interview, the questioned person expresses opinions and the interviewer is not allowed to correct or to change the opinions of the assessed person.

The interview details and outlines some information collected before the moment.

Types of interview:

- Unstructured interview – questions are not previously established and answers are opened
- Structured interview – questions have a plan
- Strongly structured interview – all the questions are established and most of the answers are closed
- Strongly standardized structured interview – all the answers are closed.

Observation – consists in carefully monitoring and precisely recording of all the characteristics and transformations of an individual or a group.

Definitely, all these instruments presented here have a great importance in the performances assessment but is difficult to make a hierarchy, but this aspect is not so relevant for organization; significant is that each organization to be capable to

select the proper method or instrument for assessment which has the best predictive value.

CONCLUSIONS

We must conclude that **human resources management system represents the engine** of the organization and can offer the success of organization.

Thus, the human being is the centre of all the processes in each organization.

In order to value in the best way the components of the human resources management system, we must **outline the essential role of the performances assessment**.

The assessment of this capital (human resource or in other words, „live tool“) in order to establish what the potential of employee is is **the point of departure for the development of organization**.

A proper analysis of the performances results will indicate the direction of an organization and the **decisions of the leaders must be according to this**.

Also, the assessment results have a great contribution in personal development of employee and grow his **motivation to work efficiently** and the efficiency of an employee produces benefits for the both sides (for individual and for organization).

There is a variety of assessment methods and techniques which allow a proper function of this process, but on some condition: there must be accuracy in their use and there must be an established order of all the activities and their achievement, otherwise we have negative impacts also for the both side.

For the emphasizing the main idea of this study about the value of human resources, we should consider the next appreciation of Bill Gates, founding president of the well-known company „Microsoft“, in 1992:

“If 20 of my best people I work will leave me, in a few months you don't hear longer about Microsoft”.

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